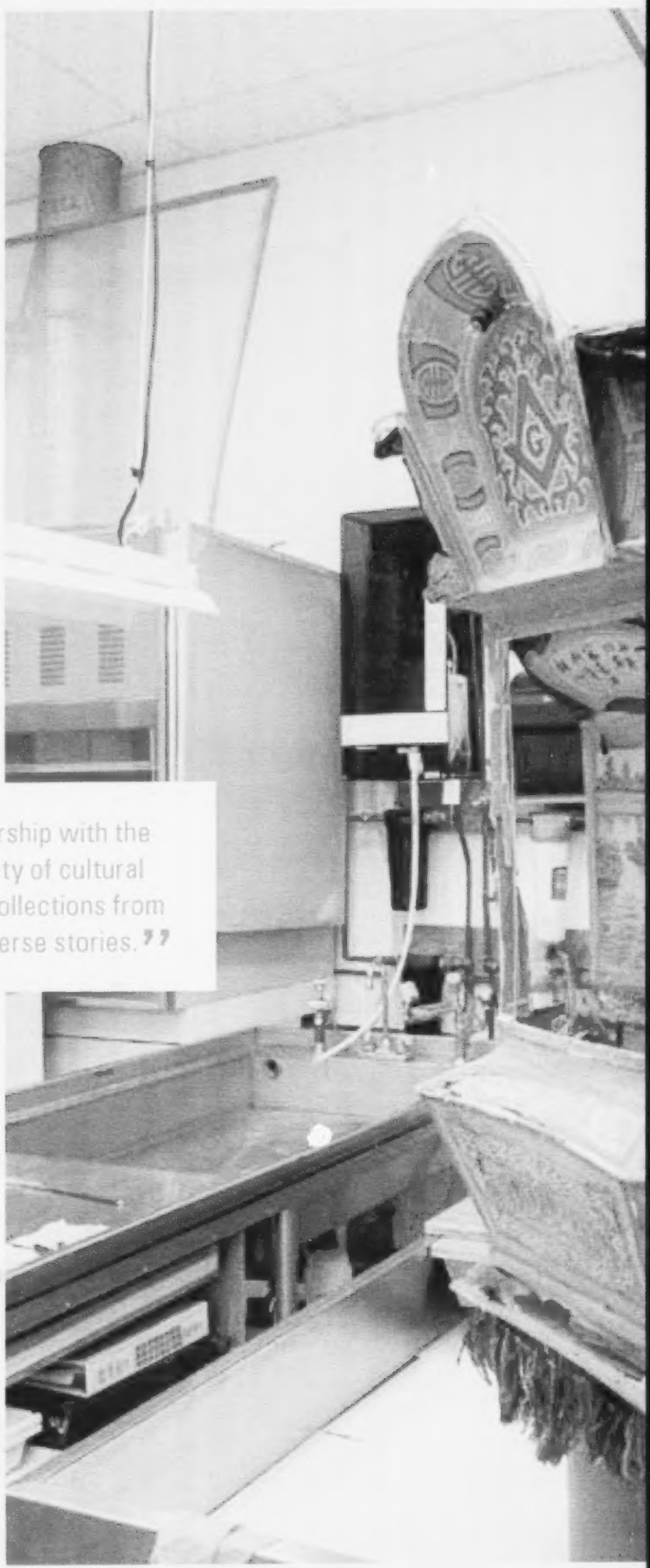
ROYAL BC MUSEUM

Annual Report 2012 – 2013

The beautiful Chinese Freemason's lantern on the cover is part of Royal BC Museum's growing collection representing BC's diverse communities. Made between 1910 and 1930, it is the oldest-known surviving traditional running-horse lantern from Canada's Chinatowns. Hand-made in traditional arts and crafts style from paper over a bamboo frame, these lanterns used heat from lights or candles to power an intricate system of wheels and strands of hair that moved parts of the lantern, animating scenes from nature.

The large lantern (approx. 101 x 75 cm) is the centrepiece of Tradition in Felicities (Feb 7 – Sept 29, 2013), celebrating 155 years of Victoria's Chinatown. The exhibition was created and produced by the Royal BC Museum and presented as part of a Chinatown Celebration in collaboration with the Victoria Symphony.



"This display is the result of an important partnership with the Victoria Chinese community. Generating a variety of cultural perspectives, then pairing those with the rich collections from the museum and archives, helps us tell BC's diverse stories."

Professor Jack Lohman, CBE
Royal BC Museum Chief Executive Officer.

The Royal BC Museum plays a critical role in collecting and preserving cultural treasures like the Chinese Freemason's lantern. When it was acquired from a private collector in 2010, the lantern was in poor condition with many parts broken or missing. During the exhibition, the museum's object conservator Lisa Bengston serves as a "live exhibit", offering visitors a rare opportunity to see expert staff at work using science-based treatments to stabilize and preserve the lantern for future generations.

Lisa Bengston working on lantern, illustrating relative size of lantern

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2012/13 Accomplishments

480,000

Visitors hosted from around the world - including 20,000 BC schoolchildren - plus more than 600,000 online visitors

$30M

Contributed more than $30 million to the province's GDP in tourism-related spending

11

Outstanding exhibitions mounted

34.5%

Increased admission revenue

Boosted family memberships by 63%

Completely redeveloped our website

Did a major organizational restructuring

Forged stronger links between research, collections and public programming

Laid groundwork for increasing revenues

Developed new strategic partnerships, including with the Canadian Museum of History

Joined Canadian Commission for UNESCO, for BC's place in world history

Message from the Chair to the Minister Responsible

During this exceptional year, we mounted a record-breaking number of exhibitions, accomplished a strategic reorganization and laid a solid foundation for achieving future goals. At the same time, we capably managed the daily business of a museum and archives, and maintained our financial equilibrium. I am very pleased to present this 2012/13 Annual Report on behalf of the Board of the Royal BC Museum.

Nearly 480,000 people visited our physical sites during the period, and more than 600,000 visited our online site. Sales of family memberships increased 63%, and volunteers donated 40,000 hours.

Dinosaurs (May 17–Sept. 30) and *Queen Elizabeth II* (June 1–Sept. 3) delighted visitors and together, in less than five months, boosted the BC economy by an additional $15.8 million in tourism and set-up spending.[1] *Curious* pulled together from scratch an entire offsite gallery in ten months, mounting four exhibitions in Vancouver's Wing Sang Gallery over the summer. At our main site were *Envisioning the World, For Valour, The Navy, Wildlife Photographer of the Year* and Tradition in Felicities, exhibitions of remarkable quality and variety.

Securing the future well-being of the province's collection came another step closer this year. After an international search, using a rigorous process led by government's purchasing services branch, we appointed international-award-winning lead architect John McAslan + Partners (London, UK), with local support from Merrick Architecture (Victoria, BC), to develop a master site plan.

We strengthened existing relationships, and built new ties with community groups at home and abroad. We worked with First Nations to display artifacts from our collection in their local museums, collaborated with Victoria's Chinese community to produce an important exhibition celebrating Canada's oldest Chinatown, and partnered with BC's Vital Statistics Agency to make images of historical birth, marriage and death records available online. In February 2013, we signed an historic agreement with the Canadian Museum of History to exchange artifacts, information and expertise. With a view to adding the Douglas Treaties to their Memory of the World project, we became an institutional member of UNESCO.

We refined our mission, vision and goals to better equip us to meet the challenges and opportunities ahead, and undertook a major reorganization, aligning accountabilities with our new goals. A vibrant centre of knowledge was created when we brought archivists, natural history curators and human history curators together under one organizational roof.

Resources were our main challenge during this period. While we increased admissions revenues, we were subject to the economic uncertainty that continues to impact tourism, especially from the US. Changes to our development team resulted in lower-than-anticipated revenues from fundraising. To prepare for a 2013/14 reduction in our operating grant from government, we revisited our budget and our service plan. We continue to face strong competition for funding and donations.

Technology offers strong prospects for streamlining our services and programs, and commercializing some of our assets. We are fortunate to have in place the expertise to take advantage of these opportunities.

We are proud of the outstanding reputation and accomplishments of the Royal BC Museum, achieved with

[1] Figures taken from The Economic Impacts of the Royal BC Museum Special Exhibits: *Dinosaurs: Ancient Fossils, New Discoveries* and *Queen Elizabeth II: A Diamond Jubilee Celebration*, January 2013.

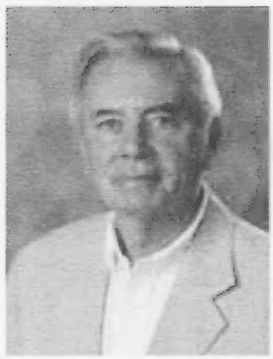
Message from the Chair to the Minister Responsible CONTINUED

the help of the Boards of the Royal BC Museum Foundation and the Friends of the BC Archives, our dedicated volunteers, and our committed and passionate staff.

Our achievements were made possible by the ongoing support of the Province of British Columbia and through our valued partnerships with sponsors, donors and the wider community. We are grateful for their commitment, which we honour through our continued sound budgeting and responsible business practices.

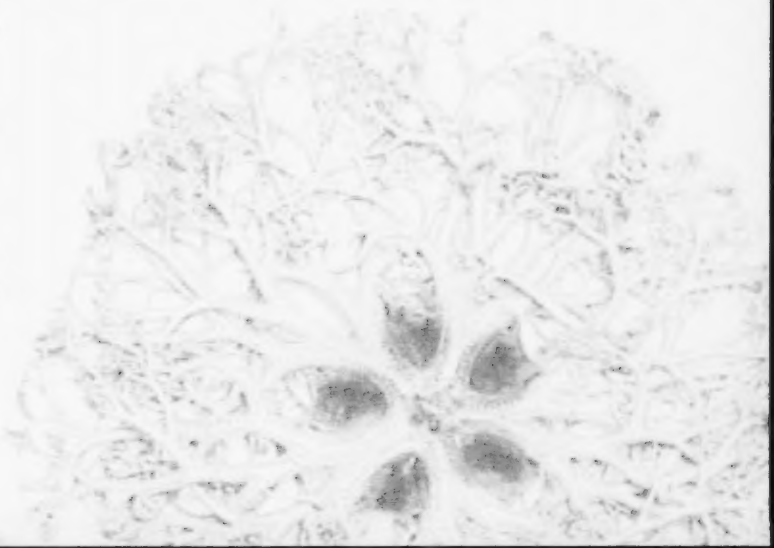
Finally, we are grateful to our visitors, the people of every age and walk of life who visit our physical and virtual sites, inspiring our best efforts.

The tangible sense of revitalization and energy engendered by this year's achievements gives us a buoyant outlook for the year ahead.



John Williams
Chair, Board of Directors

Accountability Statement: The 2012/13 Royal BC Museum Corporation's Annual Report was prepared by the Chief Executive Officer (CEO) and staff under Board direction in accordance with the *Budget Transparency Act and Accountability Act* and the BC Reporting Principles. The Board, through its direction to the CEO and its review of this report, which includes reporting on performance measures and targets, is responsible for the report and has confidence in its financial and performance-based information. The information presented reflects a complete and accurate account of the actual performance of the Royal BC Museum for the year ended March 31, 2013 in relation to the 2012/13-2014/15 Service Plan. The measures presented are consistent with the Royal BC Museum mandate, goals and strategies, and focus on aspects critical to the organization's performance. All significant decisions, events and identified risks as of March 31, 2013 were considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate, direction, goals, strategies, measures or targets made since the 2012/13-2014/15 Service Plan was released and any significant limitations in the reliability of data are identified in the report.



Message from the CEO

The Royal BC Museum is the proud and responsible steward of British Columbia's material heritage, a role enshrined in legislation. Fundamental to that stewardship is ensuring that the province's heritage assets are protected and cared for, now and in the future.

Just what does "protecting our assets" mean? Restoring the Chinese Freemason's lantern is part of the definition. So is ensuring that our collections represent the full human and natural history of BC. Overall, it is the long-term care we provide to the wealth of artifacts, records and natural history specimens in our collections. To preserve them, we must provide enough space and an appropriate physical environment, a principle that also applies to the experts who work to unlock and share the knowledge they contain.

Our current facilities, built in piecemeal fashion over the past 50 years, fall short of current needs and standards, and don't begin to address future ones. Put simply, the museum and archives are no longer fit for purpose. That is why we are working on a master plan for a renewed museum and archive building, and why we will be launching capital campaigns in coming years – for the critical task of safeguarding British Columbia's material history for future generations.

Financial sustainability is central to our stewardship role. The annual grant from the Province covers about 60 per cent of our operating costs. For the balance, we rely on admissions revenue and philanthropic contributions, sources by their nature variable and unpredictable. We are working to diversify and increase revenue streams through initiatives like commercializing our collections by making them available in digital format.

We are also working to build a stronger network of museums in British Columbia, from Courtenay to Cranbrook, Terrace to Trail. In October, I was pleased to deliver the keynote address to the conference of the BC Museums Association and meet with my colleagues from across the province. The Royal BC Museum supports and collaborates with other BC museums by providing conservation advice or working in partnership on research and exhibition projects.

All our efforts have the central goal of serving British Columbians by protecting our past. The work we do is vital to our understanding of the world and British Columbia's place in it.

Professor Jack Lohman CBE
Chief Executive Officer

Outgoing Loans - Locality

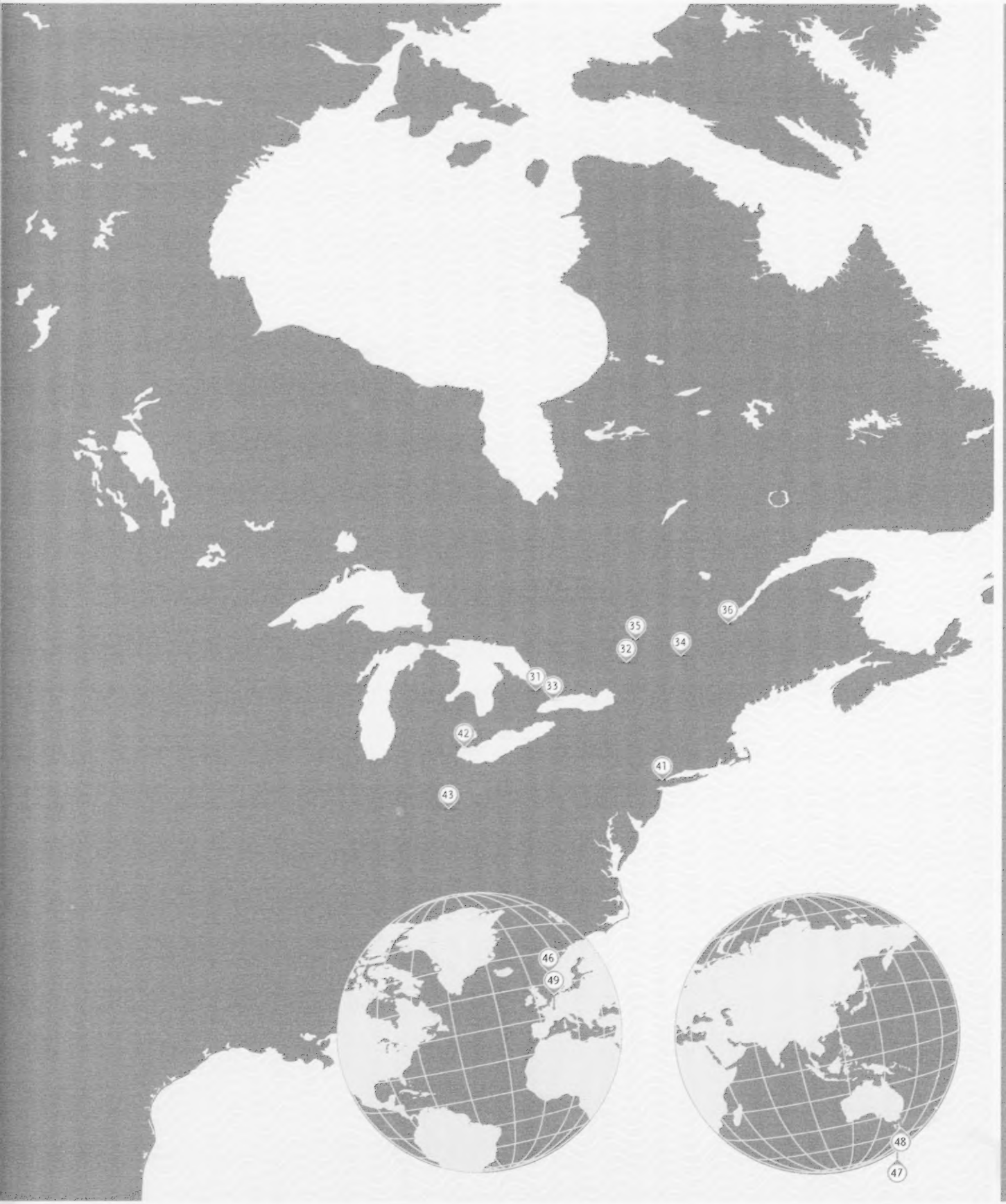
HUMAN HISTORY AND ARCHIVES

Global Breakdown of Loan Locations

01 ALERT BAY, BC
02 CAMPBELL RIVER, BC
03 CANIM LAKE, BC
04 CHILLIWACK, BC
05 COMOX, BC
06 COQUITLAM, BC
07 COURTNEY, BC
08 DELTA, BC
09 FORT ST. JAMES, BC
10 GITANYOW, BC
11 GOLD RIVER, BC
12 GRAND FORKS, BC
13 KAMLOOPS, BC
14 KELOWNA, BC
15 LANGLEY, BC
16 NANAIMO, BC
17 PORT ALBERNI, BC
18 PORT HARDY, BC
19 PRINCE RUPERT, BC
20 OSOYOOS, BC
21 SARDIS, BC
22 SATURNA ISLAND, BC
23 SOOKE, BC
24 SURREY, BC
25 TOFINO, BC
26 VERNON, BC
27 VANCOUVER, BC
28 VICTORIA, BC
29 WEST VANCOUVER, BC
30 WILLIAMS LAKE, BC
31 KLEINBURG, ON
32 OTTAWA, ON
33 TORONTO, ON
34 MONTREAL, QUE.
35 GATINEAU, QUE.
36 QUEBEC CITY
37 CALGARY, AB
38 SASKATOON, SASK

INTERNATIONAL

39 LOS ANGELES, CA
40 DENVER, CO
41 NEW YORK CITY, NY
42 DEARBORN, MICH.
43 COLUMBUS, OHIO
44 KETCHIKAN, ALASKA
45 PORTLAND, ORE
46 AMSTERDAM
47 AUCKLAND
48 CANBERRA
49 COLOGNE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Organization Overview

How We Serve British Columbians

Royal BC Museum does vital work on behalf of the people of British Columbia. As the provincial museum and archives, we collect, preserve and share BC's stories through our research, collections, exhibitions, publications and educational programs. Our two-hectare cultural precinct in Victoria houses a number of historically significant buildings and First Nations sites.

Nearly half a million people visit our physical site each year. We lend artifacts to regional museums across the province. Our website drew more than 600,000 visitors in 2012/13, a number expected to increase, with our dynamic new interactive website and growing online access to our experts and our collections.

Our curators and archivists made more than 50 public presentations to speak about research, exhibitions or collections. Among those were presentations related to our *Aliens Among Us* touring exhibition, which continued its circuit of province, this year visiting Prince George, Kitimat, Penticton, Nelson and Richmond.

The work we do increases knowledge about our province at home and abroad. We are leaders in the BC research community. And we make a significant contribution to the BC economy and jobs, with an average annual impact of $15.7 million[2], a contribution that increases substantially with high-profile exhibitions like *Dinosaurs: Ancient Fossils, New Discoveries*.

Legislated Responsibilities

The Royal BC Museum was made a Crown Corporation in 2003. Under the *Museum Act*, the Corporation is responsible for the provincial museum, the provincial archives, Helmcken House, Thunderbird Park, Mungo Martin Big House (Wawadit'la), St Ann's Schoolhouse and the Netherlands Centennial Carillon. Under Section 4 of the *Act*, the Corporation's purposes are:

(a) to secure, receive and preserve specimens, artifacts and archival and other materials that illustrate the natural or human history of British Columbia;

(b) to hold and manage the archives of the government;

(c) to increase and communicate knowledge of the natural and human history of British Columbia by research, exhibits, publications and other means;

(d) to serve as an educational organization;

(e) to develop exhibits that are of interest to the public;

(f) to manage, conserve and provide access to the collection;

(g) on the request of the government, to manage cultural and heritage facilities designated by the government;

(h) to perform functions usually performed by a museum and archives.

[2] Figures taken from *The Economic Impacts of the Royal BC Museum Special Exhibits: Dinosaurs: Ancient Fossils, New Discoveries and Queen Elizabeth II: A Diamond Jubilee Celebration*, January 2013.

Guiding Principles

Mission

The Royal BC Museum brings British Columbia's stories together. Our collections, research and presentations enable us to tell the stories of BC in ways that enlighten, stimulate and inspire. By exploring our human history and natural history, the Royal BC Museum advances new knowledge and understanding of BC, and provides a dynamic forum for discussion and a place for reflection.

Vision

In 2017 the Royal BC Museum will be a refreshed, modern museum advancing knowledge about British Columbia through our collections, presentations, expertise and partnerships for the benefit of the society and the economy of British Columbia

Values

The Royal BC Museum is committed to the following values:

Visitor service: by providing a high degree of interest and value to all our visitors;

Excellence: in supporting collections representative of the human and natural history of BC and encouraging a high degree of interest through our programs and services;

Responsible stewardship: of the collections and information entrusted to our care;

Sustainability: of our natural environment and our financial health;

Innovation: in embracing new ideas and processes to improve our services; and

Integrity: in all our work, actions and conduct.

Operations Profile

Core Business Areas

We are organized around four key business areas, each responsible for an element of our strategic priorities.

- Archives, Collections and Knowledge
- Visitor Engagement and Experience
- Museum Operations
- Business Development and Corporate Finance

Partners

The Royal BC Museum nurtures a strong network of supporters including:

- federal, provincial and local governments;
- local, regional and international businesses;
- BC tourism groups and services;
- British Columbia First Nations groups;
- cultural communities of BC;
- local, national, and international museums and archives;
- research and academic communities;
- donors, sponsors, strategic partners and philanthropists;
- students and tourists;
- employees, volunteers and Board members;
- the Royal BC Museum Foundation; and
- the Friends of the BC Archives.

Commercial Associates

Our commercial associates provide amenities and attractions for our visitors. We facilitate their success, and they provide us with financial support under specific agreements.

- IMAX Theatre is owned by Destination Cinema Incorporated (DCI)
- The Royal Museum Shop is operated by the Royal BC Museum Foundation
- Truffles Catering is our corporate catering partner
- Willie's Bakery operates the Museum Café

Service Delivery

To accomplish our mission, the Royal BC Museum provides six key functions:

- developing and maintaining a provincial collection of historical material (specimens, artifacts and archives) related to BC;
- exhibiting our collection or making it available for exhibition by others;
- exhibiting material not in our collections that relates to BC's past, and providing an occasional "window on the world" by presenting touring exhibitions from international museums;
- conducting or assisting in research relating to BC human history and natural history;
- disseminating information relating to BC's history, and to the museum and archives and their functions;
- developing and implementing philanthropy/sponsorship and commercial activities in support of the Royal BC Museum's key functions.

Location

The Royal British Columbia Museum's collections, exhibition galleries, archives and administration are at 75 Belleville Street, on Victoria's Inner Harbour.
Website: www.royalbcmuseum.bc.ca.

www.royalbcmuseum.bc.ca

Corporate Governance

The Royal BC Museum Corporation is governed by a Province-appointed Board of Directors, which in turn appoints a Chief Executive Officer (CEO) to implement policies and corporate goals. Our Board is accountable to the Minister of Community, Sport and Cultural Development.

John Williams
Chair

Board of Directors

Suromitra Sanatani
Vice Chair

David Adams
Director

Daphne Corbett
Director

Garth Evans
Director

Lynne Kennedy
Director

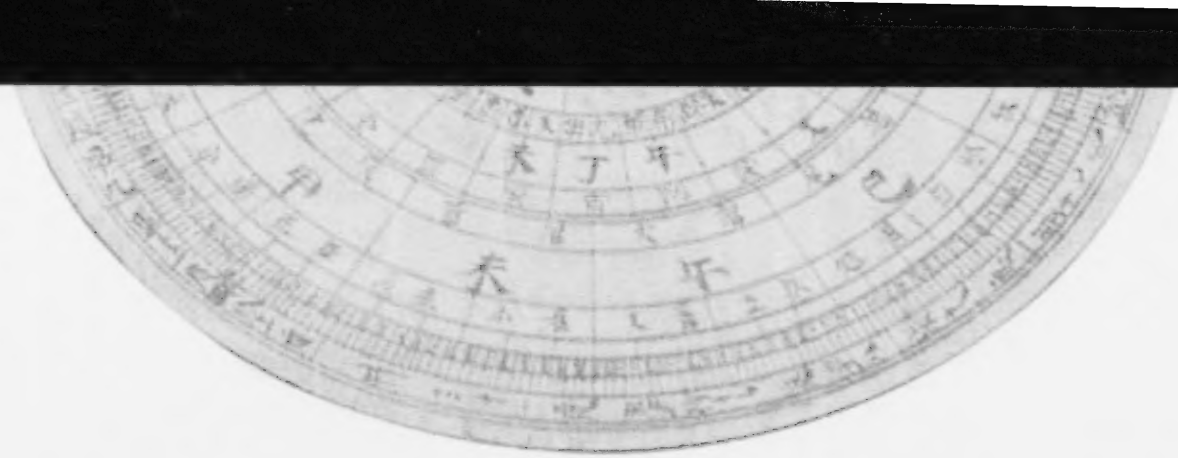
Susan Knott
Director

Graham S. Lee
Director

Terry Segarty
Director

Marg Vandenberg
Director

Angela Wesley
Director



Our Board provides policy and direction to the CEO, who is responsible for the Corporation's daily operations. For more information on our Board Directors, see: http://royalbcmuseum.bc.ca/about/board-of-directors/

Board Committees

This year Board Committees were reorganized and reduced in number to provide a sharper focus on our new goals.

All standing and ad hoc Board committees – with the exception of the Human Resources Committee – include as ex-officio members John Williams, Board Chair, and Professor Jack Lohman CBE, Chief Executive Officer.

Finance and Audit
Daphne Corbett, Chair; Angela Wesley; Sandy Pratt, Vice President, Business Development, and Executive Financial Officer

Governance and Nominating
Susan Knott, Chair; Garth Evans, Lynne Kennedy, Suromitra Sanatani

Strategic Fund Development
Marg Vandenberg, Chair; Susan Knott, Suromitra Sanatani, Terry Segarty; Angela Williams, Chief Operating Officer

Human Resources
John Williams, Chair; Susan Knott

Site Development (Ad hoc committee)
Lynne Kennedy, Chair; David Adams, Garth Evans, Daphne Corbett, Graham Lee; Angela Williams, Chief Operating Officer

Senior Management Team

Our 2012 reorganization resulted in assignment of responsibilities aligned with our five-year strategic priorities.

Professor Jack Lohman CBE, *Chief Executive Officer*

Gary Mitchell, *Vice President, Archives, Collections & Knowledge; Provincial Archivist*

Sandy Pratt, *Vice President, Business Development; Executive Financial Officer*

Angela Williams, *Chief Operating Officer*

Tim Willis, *Vice President, Visitor Engagement & Experience*

Governance Principles

The Royal BC Museum Board adheres to the principles of:

- leadership and stewardship of the role of the Board as determined by legislation;
- clarity of roles and responsibilities;
- trust and transparency in all Board discussions and in the operation of the Royal BC Museum;
- service and corporate citizenship;
- objective analysis of given materials to make the best decision;
- accountability and performance; and
- continuous improvement in Royal BC Museum business operations and in Board functioning.

The Royal BC Museum Board of Directors acts in accordance with the Crown Corporation Governance Guidelines and Disclosure Requirements, found at: http://www.gov.bc.ca/caro/publications/index.html.

Year in Review: Highlights

The Royal BC Museum serves British Columbians by providing a base of knowledge about the province's human history and natural history. We do this through collection, exhibition, knowledge creation and public programming. We communicate that knowledge in many – increasingly interactive – ways.

The thread that links these activities is our stewardship of the province's collections. With it comes the responsibility to make the province's collection representative, defined, accessible, and protected – now and in the future.

The period of this report – April 1, 2012 to March 31, 2013 – was an energetic one. We presented more exhibitions than at any time in our history, carried out the daily business of a museum and archives, and set in place the underpinnings of a more robust, sustainable future. We did all this with a tight rein on our finances, in challenging economic times.

Collections

The remarkable collections at the Royal BC Museum are at the heart of all we do, helping us understand our world and our place in it. We are responsible for more than seven million artifacts, archival documents, photographs, films, artworks and specimens of British Columbia's past.

As stewards of these collections, our role is to develop, safeguard, organize and interpret them. This year we completed a review that showed areas where we needed to strengthen our collections. Our new collection plans addressed those gaps, and forged stronger links to our research and public programming.

To help manage the inevitable growth of our collections, we sharpened our focus on items of critical importance to our province and our nation, and began a process of de-accessioning, or "sending it home." When the museum was established in 1886, its mandate was for the whole province because other archives didn't exist. Now we can send community-specific items to regional museums, and restore federal materials that are now available online. We also invested in new shelving that yields 30% more space for our collections.

A significant accomplishment, one central to our stewardship responsibility, was this year's work towards developing a master site plan for the museum and archives. The plan will set the framework for a realistic, functional and affordable site renewal, to be phased in over the coming years, as and when capital funding is sourced. It will optimize the potential of the museum and archives, while respecting its unique setting.

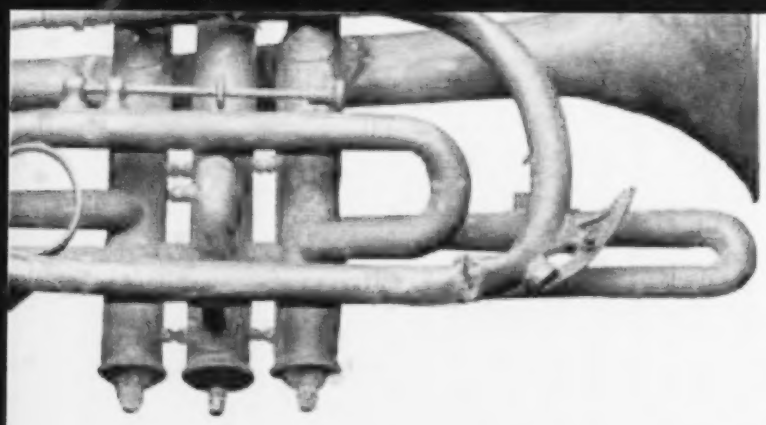
Natural History

Our natural history collection gives us important information about BC's environment viewed over a continuum of species, time and geographic space.

Collecting Highlights, Summer 2012

Tissue samples we collected in northern BC and in Alaska will be used in our study of the DNA differences in selected plant species from BC and nearby areas. Our research retracing the migration paths of plants could shed new light on the extent of glaciation in BC's last ice age.

Partnering with the Sierra Club, we collected terrestrial and freshwater invertebrates from BC's Flathead region in southeast BC, as part of a "bioblitz" to document flora and fauna of this biologically and geographically important region.



From BC's central coast, we collected new samples of invertebrate tissues slated for genetic analysis in collaboration with the international Barcode of Life Database.

In a trip involving 15 days and more than 630 volunteer hours, we collected specimens and samples and did site documentations on southern Vancouver Island and the Gulf Islands.

The digital microscope acquired this year will help preserve fragile type specimens and reduce costs by allowing us to transmit images instead of transporting specimens.

Human History

Important aims of our new human history collection plan are to make it more ethnically inclusive and to give highest priority to those scarce objects invented or developed in BC.

Centre of Arrivals Project

In November 2012, we co-hosted a symposium with the University of Victoria Provost Office, *Crossing Boundaries: Past, Present and Future* on multicultural and intercultural issues, featuring Senator Lillian Dyck, who is of Cree and Chinese heritage and was one of the first Aboriginal women in Canada to pursue an academic career in the sciences.

The Centre of Arrivals project funds the important conservation project of the Chinese Freemasons Lantern. This conservation work, the lantern itself, and parts of the Arrivals project research are showcased in *Tradition in Felicities: Celebrating 155 Years of Victoria's Chinatown,* February 7 to September 29, 2013.

Ethnology Updates

The Ethnology section is well used by both First Nations and non-aboriginal researchers, artists, scholars and the interested public. Visitors to the collection – especially

Royal BC Museum Natural History Collection

250,000
Entomology specimens – insects, spiders, other land arthropods

65,000
Invertebrate Zoology specimens – other animals lacking a backbone

15,000
Ichthyology specimens – jawless fish, sharks, bony fish

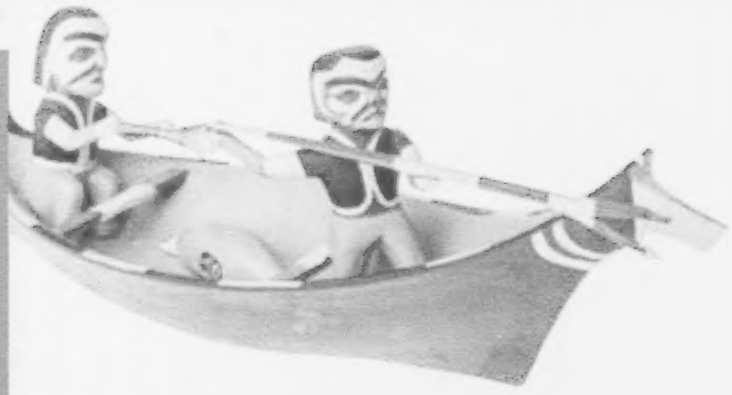
5,000
Herpetology specimens – amphibians & reptiles

205,000
Herbarium specimens – plants

60,000
Paleontology specimens – fossils

27,000
Ornithology specimens – birds

22,000
Mammals



First Nations people with deep personal connections to the cultural materials in our care – take away information from their research at the museum and archives; they also bring knowledge and advice that helps the museum understand more about the collections and their cultural importance.

We remain committed to developing an historical collection from First Nations throughout the province and enhancing cultural areas and subjects that are not well represented in the collection.

Key Acquisitions

Sketchbook of 20 Nuu-chah-nulth drawings. This unique and important document of Nuu-chah-nulth histories and traditional life was donated by the granddaughter of James Russell Motion, who had been the Indian Agent and director of the Port Alberni Indian School. The drawings depict scenes including whaling, hunting, fishing, resource gathering, house building, canoe building, games, ceremonies and warfare.

Coast Salish ceremonial regalia. Such regalia is uncommon in museum collections. Although Coast Salish traditional dances and costumes appear in historical photographs from southern Vancouver Island in the late 19th and early 20th centuries, they are now strictly limited to longhouse ceremonies. The Royal BC Museum recognizes the cultural restrictions on this significant material. The collection is intended for research and Coast Salish access only, not for exhibition at this time.

Contemporary Northwest Coast jewellery. An engraved silver bracelet, gold pendant and pair of gold earrings add to our small collection of works by the Haida artist, Francis Williams (1936-2003) and the Gitxsan artist, Earl Muldon (b. 1939). Earl Muldon (also spelled Muldoe), whose hereditary title is Chief Delgamuukw, has been an influential teacher at the Gitanmaax School of Northwest Coast Indian Art in Hazelton.

Vancouver Police artifact collection documenting the career of a police officer in Vancouver from 1973 - 2003 through the ranks from training at entry constable, through undercover work, to staff sergeant, multi-department Provincial law enforcement service in the low profile Co-ordinated Law Enforcement Unit team and through to his retirement as Inspector. The collection represents a good overview of a wide range of police activities, including undercover work, working a kidnapping and hostage taking incident, robberies and dealing with fraud cases. This is an important addition to our BC Law Enforcement History collection.

BC Salmon Tin Labels – George Trequaire (189?-1971), an artist trained at the Scottish Royal Academy, arrived in Vancouver in 1923 and began work for Vancouver printers Bulman Brothers BC Ltd., as their graphic artist. The collection includes undated labels that fall into the 1923-1930 period in style and more recent work with dates ranging from 1939-1957 and early 1960s.

Trench Art – Forty-four examples of souvenir artwork created from brass shell casings from WW I. Represented are servicemen from the Seaforth Highlanders, 5th Royal Artillery Regiment, BC Horse and Canadian Engineers, as well as the BC nursing sister who served at the field hospital at Salonika.

Edgar F. Kaiser Jr estate donation – Most of the collection is centred on Edgar Kaiser Jr, who ran the Sparwood coal export operations resulting in construction of the Roberts Banks coal port. The collection includes objects and photographs related to his corporate work, including a portrait of himself with the Prime Minister of Canada. Edgar Kaiser Jr is a significant figure in the business history of 1970s BC, and these objects are solid additions to our collection. They provide an excellent link between our trans-Pacific oceanic trade, the Vancouver business community and the resource economy of coal in the West Kootenays, as well as examples about transportation and activity by the corporate sector in establishing world markets for BC resources.

Conservation Highlights

Conservation Services is responsible for the care and preservation of our collections. They monitor the relative humidity, temperature, lighting, and atmospheric pollutants to ensure that artifacts and specimens are protected from deterioration. Our conservators lend expertise across disciplines, providing such services as materials analysis, exhibit planning, and public programs and events coordination as they relate to collections.

2012/13 highlights include local and international work. We performed maintenance and repairs to the totem poles in Thunderbird Park, and coordinated procurement of an off-site cold storage facility to house our most vulnerable audiovisual collections. We also worked to prepare, deliver and install First Peoples artifacts in Amsterdam's De Nieuwe Kerk museum.

Archives

In 2013, the Archives marks its tenth year as part of the Royal BC Museum Corporation, and 119 years since the BC Archives was founded to house government records, manuscripts, maps, photographs, paintings, audio recordings and film.

This year we created a dedicated position to ramp up the process of digitizing our collections, and create partnerships with public and private bodies to advance the pace. The aim is to conserve fragile records and artifacts, while making them more accessible to the public.

The *Douglas Treaties* display offered the public a glimpse of First Nations societies at the cusp of the Aboriginal colonial experience. The 14 documents were signed between 1850 and 1854 by Governor James Douglas and First Nations on Vancouver Island. They are the only formal treaties signed with First Nations in British Columbia prior to the modern-day treaty process now underway.

Genealogy Search – In September, we announced a new genealogy database linked to digitized images of many of the province's historical birth (1854-1903), marriage (1872-1936) and death (1872-1991) registrations. The release of the database and attached images was a collaborative project between the BC Archives, the Vital Statistics Agency and FamilySearch. It is unique in Canada – no other province has made this much rich data available online.

Sisters of St Ann Archives – The Royal BC Museum reached a landmark agreement with the Sisters of St Ann to provide a new home for their archives and artifacts, ensuring that the Sisters' legacy continues to be preserved and will be shared with British Columbians. Under the agreement, the Sisters pay all costs for transferring and maintaining the archives until 2027.

The Sisters' private collection is unparalleled in its size and in the variety of material it contains. It includes important historical and religious artifacts, photographs, textiles, books, letters and other material that helps to tell BC's story stretching back to 1858. The religious artifacts and archives are an important addition to the Royal BC Museum's collection, covering an area not previously represented.

Key Acquisitions

Records of Pemberton & Son Ltd. (Pemberton Holmes Ltd.), 1880s to 1970s – Long-time Victoria real estate company Pemberton Holmes Ltd. donated its extensive historical business archives to the Royal BC Museum. The collection contains thousands of documents of provincial significance, including more than 2,400 individual client files, 300 photographs, 40 maps and plans, and approximately 180 bound volumes of correspondence. The collection will be held in the BC Archives, and is one of the largest and most significant single business holdings to be donated to the Royal BC Museum.

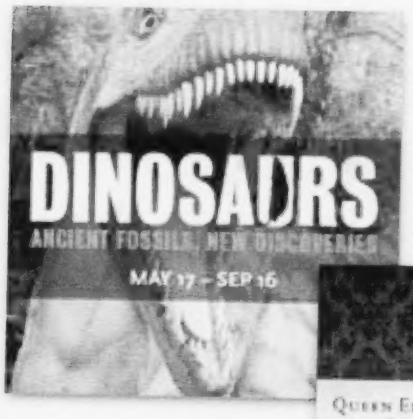
Jack Mar collection – Jack's father John Mar was a Canadian engineer who held a prominent design position on Canada's first satellite space program, the Alouette. Mar made a significant contribution to engineering, and the original records will be useful for a significant scientific audience. Mar's records documenting the Chinese immigrant experience in Western Canada are perhaps the most thorough group of records of use to an audience with interests in this area.

Royal Honours

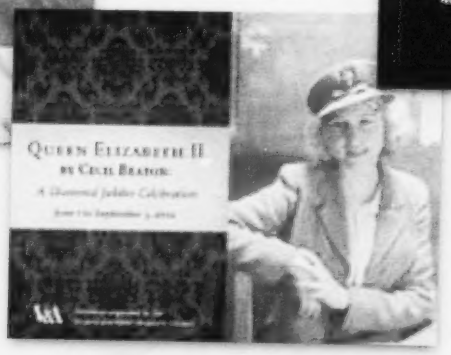
While we celebrated the Queen's 60th year on the throne with an exhibition of Cecil Beaton's iconic photographs, our CEO, Professor Jack Lohman, met Her Majesty in person when he was made a Commander of the British Empire (CBE) for his work as former Director of the Museum of London. Here in Victoria, two of our curators also received royal recognition for leadership in their fields. Queen Elizabeth II Diamond Jubilee Medals were awarded to Grant Keddie, Archeology, and Richard Hebda, Earth Sciences and Botany. They joined Gary Mitchell, Vice President and Provincial Archivist, who received the medal early in 2012. Former CEO Pauline Rafferty was also so honoured.

Exhibitions opening April 1, 2012 – March 31, 2013

DINOSAURS: ANCIENT FOSSILS, NEW DISCOVERIES
May 17 – Sept 30



QUEEN ELIZABETH II
Cecil Beaton Photos
June 1 – Sept 3



ENVISIONING THE WORLD: FIRST PRINTED MAPS
Oct 3 – Jan 27

CURIOUS: 4 EXHIBITIONS:
Magic Lantern / Artifact or Artifiction / Bottled Beauty / Intimate Glimpses at Wing Sang in Vancouver
June 14 – Sept 3

Exhibitions

This year 11 new exhibitions opened – more than in any similar period in the Royal BC Museum's history – with something to please everyone and much to stimulate and inspire.

The quality of touring exhibitions was stellar. These included *Dinosaurs: Ancient Fossils, New Discoveries*, *Queen Elizabeth II* by Cecil Beaton, *2012 Wildlife Photographer of the Year*, *Envisioning the World: The First Printed Maps, 1472–1700.*

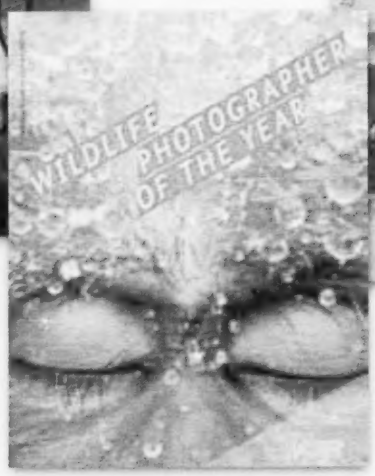
The completion of our Archeology Gallery renewal in July brought to life the story of the first traces of human occupation in BC, showing how people lived, and how they used natural materials. Visitors can feel objects, explore them, and dig into the collection, experiencing things like an ancient atlatl – a wooden spear used by hunters before there were bows and arrows.

For *Curious,* our collection of exhibitions at the Wing Sang in Vancouver, we created from scratch an entire gallery and four exhibitions – designed, built, moved to Vancouver, installed and staffed – in 10 months. It was a testament to our staff's ability to work creatively, nimbly and collaboratively. Running a summer satellite gallery was an experiment that will not be repeated, since financial returns were lower than expected. However, the experience left a valuable legacy of staff capability. And visitors told us they loved what they saw.

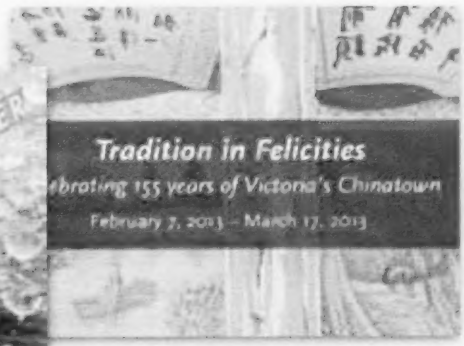
During the summer, we saw growth in attendance over the previous year, due in part to the two-fold attraction of a significant exhibition from the celebrated Victoria and Albert Museum in London (*Queen Elizabeth II*) and a major touring exhibition from the American Museum of Natural History in New York (*Dinosaurs: Ancient Fossils, New Discoveries*), exploring the latest science around dinosaurs. Certainly, the summer held something for everyone.

THE NAVY: A CENTURY IN ART
Nov 6 – Jan 27

FOR VALOUR: THE CANADIAN SCOTTISH REGIMENT
Oct 20 – Dec 2



WILDLIFE PHOTOGRAPHER OF THE YEAR, 2012
Nov 30 – Apr 1



TRADITION IN FELICITIES
Victoria's Chinatown
Feb 7 – Mar 17

The Canadian War Museum's national touring exhibition *The Navy – A Century in Art* made its first stop in the province in November 2012, featuring 46 evocative paintings from Canada's leading war artists. In another Remembrance Day-themed exhibition, the museum partnered with the Canadian Scottish Regiment to mark its centennial with *For Valour - The Canadian Scottish Regiment (Princess Mary's) 100 Years of Service in Peace and War*, telling the stories of the only infantry regiment based on Vancouver Island. Six Victoria Crosses were among the artifacts, personal accounts and archival footage.

In February 2013, we celebrated 155 years of Victoria's Chinatown with *Tradition in Felicities*, an exhibition about Canada's oldest Chinatown featuring a unique artifact – the Freemason's lantern featured on the cover – and many compelling images and stories. The display was the result of an important collaboration with Victoria's Chinese communities.

Our unique online and travelling exhibition: *Aliens Among Us* continued to provide important information about invasive species and their impact on BC communities. A custom-developed smartphone app allows users to interface with the virtual exhibition on our website, and to add to the body of knowledge about invasive species in our province. In October 2012, we won a BC Museums Association Award of Merit for the *Aliens Among Us* exhibition, awarded for "outstanding, innovative or creative achievement in the museum, art gallery, archives or heritage field in British Columbia."

As the fiscal year ended, the stunning *2012 Wildlife Photographer of the Year* exhibition was still drawing crowds, and we were completing preparations for the May 17 North American premiere of *Race to the End of the Earth*.

It was a very good year.

Research

Research forms a central part of our mission. It is how we unlock the secrets of this province and the cultures that have flourished here. It builds the body of knowledge about British Columbia, and helps us to be the best possible stewards of BC's human and natural histories. Research broadens our understanding of our social and environmental context. And it guides us in sharing the story of this province, so rich in geography and culture, with the rest of the world.

This year our research plan, available on the website, was updated, strengthening its ties to our collections and public program offerings, and focused on developing BC knowledge.

Significantly, our corporate reorganization gathered together all our specialists – archivists and natural history and human history curators – under the umbrella of knowledge creators, a fertile environment for research.

Knowledge Group

Natural History Curators

Dr. Melissa Frey, Invertebrates

Dr. Gavin Hanke, Vertebrate Zoology

Dr. Richard Hebda,
Botany & Earth History

Dr. Ken Marr, Botany

Human History Curators

Dr. Martha Black, Ethnology

Dr. Kathryn Bridge, History

Dr. Tzu-i Chung, History

Dr. Lorne Hammond, History

Grant Keddie, Archaeology

Archivists

Michael C. Carter

Dennis Duffy

Raymond Frogner

Claire Gilbert

Katy Hughes

Ann ten Cate

Frederike Verspoor

Curators Emeriti

Dr. T. Christopher Brayshaw, Botany

Dr. Rob Cannings, Entomology

Bob Griffin

Phil Lambert, Marine Invertebrates

Peter Macnair, Anthropology

Dr. Alex Peden, Ichthyology

Robert D. Turner, History

Knowledge Communication

An important part of our mandate is to make accessible and communicate our growing body of knowledge about BC. We do this in publications and presentations, through educational programs and events, by sharing our expertise and by lending parts of our collection to other museums and galleries. Increasingly, digital technologies are enabling us to extend public access and communicate in engaging new ways.

In October 2012, we launched a new wayfinding application called Wifarer – the first indoor navigation app in a Canadian museum. The free app acts as personal GPS, guiding visitors around the Royal BC Museum, letting them know exactly where they are via a digital map and providing content such as video, audio, text and images. In this way, we are able to add content for visitors without impacting the physical display space.

Academic Publications

Marr, K.L., R.J. Hebda and W. H. MacKenzie. 2012. New alpine plant records for British Columbia and the recognition of a new biogeographical element in western North America. *Botany 90*: 445–455.

Allen, G.A., K.L. Marr, L.J. McCormick and R.J. Hebda. 2012. The impact of Pleistocene climate change on an ancient arctic-alpine plant: multiple lineages of disparate history in Oxyria digyna. *Ecology and Evolution 2*: 649-665.

Marr, K.L., G.A. Allen, R.J. Hebda and L. J. McCormick. 2012. Phylogeographic patterns in arctic-alpine Bistorta vivipara (Polygonaceae) and implications for refugia during the Last Glacial Maximum in western North America. *Journal of Biogeography*.

Books

The Royal BC Museum publishes books on the First Nations, history and natural history of British Columbia, and on the activities, exhibits and collections of the museum and archives. The following books were published in 2012/13.

Furrows in the Sky, by Jay Sherwood – May 2012

Nature Guide to the Victoria Region, edited by Ann Nightingale and Claudia Copley – October 2012 (co-published with the Victoria Natural History Society)

Saanich Ethnobotany: Culturally Important Plants of the W_SÁNEC People, by Nancy J. Turner and Richard J. Hebda – November 2012

Hoofed Mammals of British Columbia (revised edition), by David Shackleton – March 2013

Top Selling Books in 2012/13

Exhibition guides

Nature Guide to the Victoria Region

Furrows in the Sky

Food Plants of Coastal First Peoples

Saanich Ethnobotany

Indian History of BC: Impact of the White Man

Sister and I from Victoria to London

The Whaling People

Plant Technology of First Peoples in BC

Food Plants of Interior First Peoples

ARTS

CEO has a big vision for Royal B.C.

Presentations and Talks

More than 50 public presentations were made by curators and archivists speaking about research, exhibitions or collections. Highlights included:

Raymond Frogner, "All the Land With These Small Exceptions: The Archival Interpretation of the Vancouver Island Treaties." Paper delivered twice May 2012, Vancouver Island University conference; to be published in book created from conference.

Raymond Frogner, "Lord Save Us from the Et Cetera of the Notaries: The Codification of French Customary Law, Canadian Aboriginal Jurisprudence, and Archival Praxis." Paper presented to the Association of Canadian Archivist annual conference, Whitehorse, June 2012. Paper to be submitted to *Archivaria*.

Kathryn Bridge, "In the Name of Education: forgotten separations and irreparable losses borne by Canadian and American middle class settler children in the west." Social Science and Humanities Association annual conference, Vancouver, November 2012.

Richard Hebda, Ken Marr, Gavin Hanke, Rob Cannings and Melissa Frey gave lectures and school presentations at events linked to our *Aliens Among Us* touring exhibition. Each of five venues in 2012/13 had two visits from curators.

Website

This year we prepared to launch a major website redevelopment, with an emphasis on increased access to our experts and knowledge. The website went live April 10, 2013.

We also laid the groundwork for a pilot project, to launch early next year. Unique profile pages will enable curators, archivists and other staff members of the museum and archives to showcase their research interests, work processes, museum-related hobbies and unique personalities. Each profile will include a "Talk to me" section for ongoing Twitter comments, picture galleries, photo sharing, blog posts, scientific illustrations and PDFs of scholarly publications. The effect will be to give the public unparalleled access to Royal BC Museum experts.

Social Media

By helping to engage diverse audiences and enrich visitors' experience, our social media platforms are an important part of our communications strategy. These sites enable visitors to see and comment on exhibitions, presentations and events, as well as photos and videos from behind the scenes. They also allow citizen scientists, historians and researchers to share in the experience of developing knowledge.

"*Transmissions from Antarctica*" is a blog with video posts and photos of handwritten posts from the Royal BC Museum. It features entries from exhibition technician and conservator, Jana Stefan, who was seconded to the Antarctic Heritage Trust. Jana discusses her work to preserve the artifacts and huts left by the explorers who raced to the South Pole in the early 20th Century. Her work will be featured in the upcoming exhibition *Race to the End of the Earth*.

Linked to the *Wildlife Photographer of the Year* exhibition, our Facebook page gave visitors a chance to view and vote for entries to our Young Photographer Contest.

Traditional Media

The Royal BC Museum partnered with CHEK TV news to produce This Week in History. The 26-week television series, launched in December 2012, highlights many of the milestones that have shaped this province – from the signing of the treaty that created British Columbia 154 years ago to the present day. Photos and exhibits are courtesy the Royal BC Museum and BC Archives. The videos are also available on Vimeo.

2012/13 saw an exceptional number of interviews in print and on broadcast media. These were some of our favourites.

"Emily Carr's Victorian funny book: Century old artifact from London via Zimbabwe comes home for the first time." John Mackie, *Vancouver Sun*, front page, June 14, 2012

"Canada: Diamond Jubilee exhibit shows the Queen through the ages." Jay Jones, *Los Angeles Times*, pg 3 Travel, May 31, 2012.

"Royal BC Museum CEO Awarded CBE Honour." *Douglas Magazine*, June 20, 2012.

"Museum News: Royal BC Museum contributes to Antarctic preservation effort." International Council of Museums (ICOM) e-news, September 2012.

"Uncovering the Pemberton Holmes Archives." Jen Muranetz, SHAW TV, November 20, 2012.

"Royal BC Museum puts family history records online." Chris Walker, CBC Radio Kelowna, Daybreak South, January 2, 2013.

"North by Northwest from the Royal BC Museum." Sheryl MacKay, CBC Radio British Columbia, January 26, 2013.

"Victoria's Chinatown and Tradition in Felicities." Pamela McCall, CFAX Radio, February 5, 2013.

"Chinese New Year and Tradition in Felicities." Karen So, *OMNI* News Cantonese edition, February 7, 2013.

"Next app frontier: 'Where's the washroom in this place?'" Grant Buckler, March 15, 2013.

"McAslan wins Canadian museum jackpot." Richard Waite, *Architects Journal*, March 19, 2013.

"John McAslan + Partners to lead master plan for Royal BC Museum in Victoria." *Canadian Architect*, March 20, 2013.

"Tate Britain Planner John McAslan to re-envision RBCM." *Canadian Art News*, March 20, 2013.

Public Programming

Serving as an educational organization is one of our legislated mandates, one we take to heart. A major part of our work this year was designing a substantial renewal of our school programs, working with the Department of Education and consulting with teachers across the province. The program will launch in September 2013.

We have designed our public programs to tie in with our exhibitions, and attempted to reach a variety of audiences. For instance, linked to the *Wildlife Photographer of the Year* exhibitions, we are hosting a Spring Break photography-inspired day camp for children and a photo contest where young people are invited to submit their own nature photos, with the public voting for their favourites on Facebook. Along with *Envisioning the Future*, we offered a *Live @ Lunch* presentation on early

Victoria maps for adults and a *Maps and Memory* session as part of the popular *Wonder Sunday* monthly program for children.

We're developing a pattern of programming that people can start to count on, for example, annual events like the annual sleepover, spring and summer camps, *Date Night at the Royal BC Museum*, as well as increasingly popular monthly programs like *Live @ Lunch* and *Wonder Sunday*.

Presenting programs in the gallery is becoming a hallmark. The *Museum Amplification Project* piloted in April 2012 as *Site & Sound*, introduced sound experiences into the gallery using performance artists and musicians. Artists get their inspiration from the galleries, and visitors have a unique way to experience the Royal BC Museum.

Performance Enhancement

Our People

Our exceptional people are central to our success and our reputation. We value them highly, and show it in part by embracing coaching and training for our staff. For the fifth year in a row, we were voted one of BC's top 50 employers. Our staff is supplemented by 467 volunteers, who together contributed an impressive 40,000 hours in 2012/13.

Planning

In 2012/13 we set our five-year strategic priorities, adopted new mission and vision statements and revised plans for visitor engagement, research, collections, exhibitions, public programming, communications, business development and staff succession.

Reorganization

A major reorganization created new departments around our five-year strategic priorities, with departments taking specific leading roles:

- Visitor Engagement and Experience – creating a unique Royal BC Museum experience;
- Archives, Collections & Knowledge – strengthening our digital information and reputation;
- Museum Operations – creating a master site plan; and
- Business Development & Corporate Finance – developing as a progressive organization.

Fiscal Sustainability

Admissions Revenues

Since admissions are a major revenue stream, we work to create more opportunities to attract visitors and enlist memberships, offering compelling reasons to visit the museum and archives. In spring 2012, admissions revenues got a boost from the *Dinosaurs* and *Queen Elizabeth II* exhibitions, which together brought in more than 186,000 visitors. Individual membership sales grew by 27% over last year, and sales of family memberships by 63%. We are also working toward building more commercial opportunities by building a stronger digital infrastructure.

Donations

A donation to the museum and archives is an investment in British Columbia, and donors are assured that their gifts will be used wisely. Following are some highlights from 2012/13, and a full list of supporters can be found at the end of this report.

HSBC School Visits Programs – Thanks to a $120,000 donation to be spread over three years by HSBC Bank Canada, we are able to expand our learning programs, giving more elementary students across the province the opportunity to participate. HSBC's support reduces the cost of each learning program visit to $10 per class (previously it was $60). The funds also go to improving the educational resources available to teachers organizing self-guided visits.

Teck Resources provided $300,000 over three years for research and learning programs on biodiversity. Details are still being worked out for the most effective use of this generous donation.

Bob Rennie, of Rennie Marketing Systems, donated gallery space that enabled us to mount a landmark exhibition in Vancouver from June to September 2012. He provided 7,500 square feet of modern gallery space at Wing Sang, a beautiful heritage building, and the oldest structure in Vancouver's historic Chinatown. The show, titled *Curious*, comprised four exhibitions, and was designed, built, moved, transported and staffed by Royal BC Museum staff.

Fundraising

Artifact or Artifiction, October 2012 marked the 8th year for this popular gala, which pits the wits of patrons against those of our experts. This year it attracted close to 400 guests and raised $85,000, thanks to the generous support of our 38 sponsors and 32 volunteers.

Partnership Building

This year we extended our involvement with the communities that shape our province and our world, and in doing so, contributed to a richer public offering.

- We visited BC First Nations communities, looking for opportunities to house artifacts in their regional museums.
- We signed a memorandum of understanding with the First Peoples' Cultural Council, agreeing to share professional expertise and promote understanding of First Nations cultures. One of the first projects will be a new museum gallery dedicated to First Nations languages.
- Our partnership with the Victoria Chinese community and their collaboration on *Tradition in Felicities* resulted in an exhibition of unusual depth and richness.
- A partnership between the BC Archives and the Vital Statistics Agency, as well as an in-kind donation by Family Search International, has resulted in original records being scanned, indexed and made available through the Royal BC Museum/BC Archives website.
- We support the work of the BC Museums Association, participating on the Board and presenting at their annual conference. And we support and collaborate with other BC museums by providing conservation advice or working in partnership on research and exhibition projects.
- Partnering with the Canadian Museum of History (formerly Canadian Museum of Civilization) will give us access to their collection, and, importantly, take the BC story to other parts of Canada.
- By becoming an institutional member of UNESCO, we hope to make the Douglas Treaties part of the World History Project.

Our strong international reputation is supported through our connections with the museum and research communities around the world.

Report on Performance

Goals, Strategies and Performance Measures

In this report, we measure our accomplishments towards the goals set out in our Service Plan of 2012/13 – 2014/15:

- Support collections representative of human & natural history of BC
- Be a visitor-centred organization
- Be a sustainable, high-performing organization

These goals are fundamental to our responsibilities to be stewards of BC's history, and to share the knowledge gleaned from our collections and research to benefit British Columbia.

Defining our five-year strategic priorities this year helped us sharpen the focus of our efforts going forward. Our new goals, set out in our 2013/14 – 2015/16 Service Plan, build on the earlier ones, and will better prepare us for the challenges and opportunities ahead. We will measure progress towards them starting April 1, 2013.

During 2012/13 the main issues affecting our performance touched on resources. While we increased admissions revenues this year, we continue to feel the effects of ongoing economic uncertainty as it impacts tourism. Competition for funding and donations continues to increase, making it more challenging to seek revenues from those sources. A government-wide hiring freeze this year resulted in a shortage of curators and collection managers in several key curatorial areas.

Technology offers an abundance of opportunities to expand our impact while containing costs and even generating additional revenue. Our staff is well equipped to take advantage of these opportunities, as the new website and social media sites amply demonstrate. Partnerships provide the potential for a fruitful exchange of information, resources and artifacts, and we have worked to maximize those opportunities.

Benchmarks

Because we are a combined museum and archives, comparable data are not readily available. Each institution adopts unique solutions, since each has a specialized focus with inherent challenges. However the processes we use to manage risks to the collection incorporate the best practices of major museums and archives in Canada. As performance measures evolve in future, we will continue to look for appropriate benchmarks for specific measures.

Goal 1: Collections that are representative of the human and natural history of BC

This goal speaks to the heart of our mandate – our responsibility to gather and protect items of importance to British Columbians.

Strategies

1.1 Redevelop the cultural precinct to ensure collections are housed appropriately, thereby mitigating risk to the collections and ensuring preservation in perpetuity.

Through the *Museum Act,* we have fiduciary responsibility for the provincial collection – the archives, artifacts and specimens that illustrate the BC story. Fundamental to that role is collecting items that represent BC's human and natural history, and providing safe and environmentally appropriate housing for them. It is this duty that underlies our need to redevelop the Royal BC Museum and Archives site.

We continue to advocate for appropriate resources to facilitate the transfer and management of BC Government permanent records. As our mandate is to house the records of government, this process will benefit both parties.

1.2 Focus research and collections development on how the province developed culturally, socially, environmentally and politically; this will be the foundation for the interpretive plan for the updating of Human and Natural History galleries.

Central to our mission is focusing our research and collections development on items of importance to the evolution of our province. These efforts contribute to the well-being of British Columbians by establishing their place in the flow of history, providing information and context to guide society's advancement. The interpretive plan was completed in 2012, and its new approach is clearly reflected in the Archeology Gallery renewal completed in the summer of 2012. Going forward, gallery design will be rolled into the new plan.

Performance Measures

Performance Measures	Actual 2010/11	Actual 2011/12	Target 2012/13	Actual 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
PM 1 Collection risk management index	88%	84%	84%	80%	82%	80%	80%
PM 2 Number of publications*	29	26	33	5	–	–	–

* This performance measure will be changed in 2013/14. See discussion under Performance Measure 2.

Performance Measure 1:

In 2004/05, we developed a collection risk management index (CRMI). The index measures the per cent of the total number of units in the collection that are being stored adequately according to international standards. The score is calculated by the number of items housed in proper storage divided by the total number of items needing storage. Although the assessment is soundly based on current knowledge and professional judgment, we cannot say definitively that all critical gaps have been identified. In 2012/13 we were within five per cent of our target.

In 2012/13, a hiring freeze coincided with several key retirements. As a result, we are lacking curators and collection managers in several curatorial areas. A new cold storage facility has been contracted, but we have yet to move collections into the facility. These two factors, along with the ongoing aging of our facilities, resulted in a CRMI rating that was below target.

Our buildings need technical, environmental and earthquake upgrading. As the province's collection inevitably grows, we will need more room to house it, as well as appropriate spaces to carry out the business of conducting research and sharing that knowledge with British Columbians. Until our infrastructure can be improved, our CRMI will continue to decline, and the province's heritage assets will be at increasing risk.

This year we completed a thorough collections review to ensure that what we have now and what we collect in future is most relevant and significant to the BC story. We also completed a functional assessment, establishing the requirements for offices and labs, public collection spaces and closed collection spaces. Health and safety concerns, as well as public access were taken into account in these reviews. The collections review and functional review provide the information needed to advance our long-term goal for site redevelopment. We also took interim measures such as installing more efficient shelving and additional cold storage to help make better use of existing space and protect the highest-risk specimens. These efforts helped stabilize our CRMI for another year, but do not address the longer-term situation.

We believe that a renewed site has the greatest potential to improve our collections risk index and fulfill our mandate to protect the collections. This year we conducted an international search under the rigorous processes of government's purchasing services branch. In March 2013, we appointed John McAslan + Partners (London, UK) as lead architects to create a master site plan which will lay the foundation for the renewal of British Columbia's museum and archives. The plan, the costs of which will be paid for by the Royal BC Museum Foundation, will enable us to start fundraising efforts, and begin a phased approach based on available financing.

Performance Measure 2:

This measure, based on articles appearing in peer-reviewed publications, was carried over from a previous strategy about generating new information about the BC story. The data are reliable and verifiable by direct inspection.

The number of academic articles published this year was affected by:

- the loss of key personnel coinciding with a hiring freeze,
- the diversion of curators' time to creating, building, installing and manning the *Curious* exhibition at the Wing Sang Gallery in Vancouver, and
- diversifying the ways curators share the BC story, taking it to a wider audience.

In evaluating the communications efforts of a 21st century museum, we need to include a much broader range of media in addition to academic publications. Presentations, lectures, workshops, books, blogs and media interviews are just some of the ways in which we disseminate the knowledge gleaned from our research. Going forward, this measure will be revised to reflect a broader range of media. This was not reflected in the 2013/14 Service Plan; however work will be done to revise it for potential future inclusion.

Goal 2: Be a visitor-centred organization

To attract, inspire and educate visitors – and to encourage them to return – we must forge a deeper relationship with them, draw them more deeply into the BC story. We must ensure their visits are rewarding, whether they step through our front door or over our virtual threshold.

Strategies

2.1 Create an interpretive plan and concept design for the Human History and Natural History galleries by 2015 as a critical component of the redevelopment of the cultural precinct.

To attract visitors, we're redeveloping our galleries to ensure they are relevant and appealing to modern audiences, particularly young people.

2.2 Deliver visitor-centred programs on-site and online with a particular focus on families and children.

This is central to our mandate and to the direction we received from government. Appealing educational programs benefit the whole community and help to build future audiences.

2.3 Champion a precinct-wide action plan to deliver first-rate service to visitors.

By offering visitors, either on-site or online, a high standard of service, we promote their engagement and satisfaction with their experience.

Performance Measures

Performance Measure	Actual 2010/11	Actual 2011/12	Target 2012/13	Actual 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
PM 3 Visitor volume on-site and online	0.423 M visitors; 14.6 M website hits	0.46 M visitors; 5.8 M page views and 0.48 M web visits	0.45 M visitors; 5.2 M page views and 0.37 M web visits	0.48 M visitors; 6.3 M page views and 0.60 M web visits	0.46 M visitors; 6 M page views and 0.50 M web visits	0.47 M visitors; 6.1 M page views and 0.51 M web visits	0.48 M visitors; 6.3 M page views and 0.52 M web visits
PM 4 % of people reporting satisfaction with their visit	88%	100%	90%	91%	91%	92%	93%
PM 5 % of visitors reporting an increased understanding of the BC Story	78%	84%	80%	86%	82%	84%	86%

Performance Measure 3:

Visitor volume on-site and online is a direct measure of our ability to attract visitors. The data for PM 3 are collected by our entrance procedures and website statistics (page views and unique visitors). These data are tightly controlled and reliable.

Of approximately 480,000 on-site visitors in 2012/13, more than a third visited during the 137-day run of two special exhibitions: *Dinosaurs: Ancient Fossils, New Discoveries* and *Queen Elizabeth II: A Diamond Jubilee Celebration.* Together they attracted 24,172 incremental visitors, i.e., visitors from outside the region whose main or only reason to come to Victoria was to see them. The spending of these incremental visitors (e.g., for accommodation, food, shopping, etc.), combined with the incremental setup and operating costs for the two special exhibitions, generated $15.8 million in additional GDP for the BC economy in 2012/13. This was in addition to the Museum's estimated annual contribution of $15.7 million, the average contribution in the four most recent years during which there were no special exhibitions. Thus, the Royal BC Museum can be seen to have contributed approximately $31.5 million to the BC economy in 2012/13. The study from which these figures are taken – *The Economic Impacts of the Royal BC Museum Special Exhibits: Dinosaurs: Ancient Fossils, New Discoveries* and *Queen Elizabeth II: A Diamond Jubilee Celebration*, January 2013 – is based on provincial government guidelines and a report generated by BC Stats.

The 2012/13 targets for online visitors were set lower than the previous year's, as we moved to industry standards of tracking page views and unique visitors, rather than

website hits. Our 2012/13 results exceeded both targets.

Our 2013/14 Service Plan separates online visits into a separate performance measure, PM 4.

Performance Measure 4:

Positive visitor feedback measures our ability to provide a welcoming environment. The data for PM 4 and PM5 were gathered during a comprehensive survey in March, 2013, with a random sample of 475 visitors. The data are reliable with 95% confidence, 19 times out of 20.

This performance measure speaks to strategies 2.2 and 2.3. In working to build a lively, nimble offering each year, we have supplemented a fertile mix of our own exhibitions and galleries with touring exhibitions from around the world. We include small and large exhibitions that interest and appeal to our target audiences – which include not only children and families but also a wide contingent of the 50+ demographic, tourists in the summer and locals in the winter.

A wide array of visitor-centred programs last year offered something for every interest and age. Monthly programs like *Wonder Sunday* (for children) and *Live @ Lunch* featured topics linked to the exhibitions and collections. Programs appealing to a young adult and young at heart audience included *BC Bites and Beverages, Date Night at the Museum, Indigenous Media & Performance* and *Sites & Sounds.*

Performance Measure 5:

A comprehensive visitor study was undertaken in 2011 that identified a high number of repeat visitors. Targets were adjusted accordingly, with the understanding that many visitors already have extensive knowledge of the BC story.

Goal 3: Be a sustainable, high-performing organization

This goal is critical to our mission. As stewards of our province's cultural and environmental history, our job is to collect, preserve and protect items that represent the BC story.

Strategies

3.1 Develop an architectural vision for the precinct designed to achieve leading-edge environmental standards as a key component of the renewal of the cultural precinct.

Since the well-being of the provincial collections is our greatest concern, addressing shortfalls to our physical site is a high priority as we plan for the overall renewal of the Royal BC Museum. There is an important opportunity to link to a special celebration in 2017 – Canada's 150th birthday. An architectural vision, as part of a master site plan, will enable us to go forward with a phased approach, as and when we are able to obtain funding.

3.2 Diversify and increase our revenue.

Without adequate, reasonably predictable revenue streams, we are at risk of failing in our responsibility to protect and preserve BC's collections.

3.3 Recruit, retain and develop a highly motivated, adaptive, visitor-centred workforce.

Going forward, we're seeking support to add to our team the right people who can dedicate their focus and resources on finding and pursuing commercialization services that are unique to, and delivered by, the Royal BC Museum as a new and sustainable revenue stream.

Performance Measures	Actual 2010/11	Actual 2011/12	Target 2012/13	Actual 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
PM 6 Revenue earned from operations	$6.5 M	$7.02 M	$6.8 M	$7.04 M	$7.3 M	$7.3 M	$7.3 M
PM 7 % of staff reporting they are satisfied or very satisfied	Non survey year	97% reported being engaged or somewhat engaged	Non survey year	–	–	–	–
PM 8 Community support through in-kind goods and services, volunteer support, donations and sponsorships	40,000 Volunteer hours In-kind media $0.85 M Donations: $0.968 M Sponsorship: $0.412 M	40,000 Volunteer hours In-kind media $0.35 M; Earned media: $0.98 M Donations: $1.043 M Sponsorship: $0.161 M	42,000 Volunteer hours In-kind media: $0.225 M; Earned media: $1 M Donations: $0.5 M Sponsorship: $0.55 M	40,000 Volunteer hours In-kind media: $0.9 M; Earned media: $1.03 M Donations: $0.016 M Sponsorship: $0.29 M	42,000 Volunteer hours In-kind media: $0.25 M; Earned media: $1.05 M Donations: $0.6 M Sponsorship: $0.6 M	42,000 Volunteer hours In-kind media: $0.3 M; Earned media: $1.1 M Donations: $0.75 M Sponsorship: $0.65 M	42,000 Volunteer hours In-kind media: $0.35 M; Earned media: $1.2 M Donations: $0.8 M Sponsorship: $0.7 M

Performance Measure 6:

This indicates our progress in diversifying our revenue base. For the Royal BC Museum, complete self-sufficiency is not a viable target, as several of our most significant mandated activities — such as maintaining the provincial archives and preserving natural history specimens — while vital to the public good, do not generate revenue. The data for PM 6 are drawn from the financial systems of the Royal BC Museum and are reliable.

This year admissions revenues increased by 34.5%, as the result of more exhibitions, as well as the success of the *Dinosaurs* exhibition, and repeat visitors to *Wildlife Photographer.*

This year we also set in place the structure for developing new commercial activities, such as expanding our licensing program, including reproductions. We now have an executive officer dedicated to developing those opportunities, and are bringing them closer to realization by ramping up digitization of our archives and redeveloping our website.

Performance Measure 7:

Bi-annual staff surveys help to establish measure PM 7. The Royal BC Museum regularly monitors and revises programs to ensure staff members have the resources they need; the Corporation also documents the steps taken to 2012 address any issues raised by employees. The data gathered from the staff survey are considered reliable. 2012/13 was not a survey year, and although future survey results will continue to be monitored, the performance measure is not included in the service plan going forward.

The Royal BC Museum was one of BC's top employers for the sixth year in a row.

Performance Measure 8:

This examines the general level of support for the Royal BC Museum throughout the province, with a special focus on Victoria and the Lower Mainland. The measure provides a snapshot of the level of volunteering at the Royal BC Museum, and of the support we have from the business community. It is also a good predictor of our ability to attract and retain volunteers and generate revenue through sponsorships and donations. We track volunteer hours. Financial support data are tracked through databases and accounting systems that reflect the standards of professional fundraising organizations. The data are considered reliable.

Overall community support was 1.3% higher than in 2011/12, but about 1% below the 2012/13 target. Lower donations were compensated for by gains in other areas of community support.

Our volunteers donated approximately 40,000 hours. In-kind and earned media totalled $1.93 million, and 923 media articles and blogs referenced the Royal BC Museum. Teck donated $300,000 over three years to fund research and education related to biodiversity. Thanks to a $120,000 donation over three years from HSBC Canada, K-5 school classes can now enjoy a school program visit for only $10 per class. Bob Rennie's donation of space at the Wing Sang Gallery enabled us to spread our wings over the Lower Mainland in summer 2012. Cross-border support came from the Victoria Clipper and Blackball Ferry Line's MV Coho, which really got into the spirit of *Dinosaurs* with "footprints" all over the vessel.

Government's Letter of Expectations

This describes specific accountabilities of the Royal BC Museum set out in government's 2012/13 Letter of Expectations, and our actions to address this direction. It also describes our actions to address government's climate change and carbon neutrality initiatives.

Government Direction: **Operate the business of the corporation including: maintaining collections and archives of the government, managing the building complex and driving revenue.**

We continue to plan for, refine, update, conserve and interpret the provincial collections and archives. 2012/13 activities included:

- completing a functional review of space requirements and usage, for better integration of space for collections, researchers and visitors,
- collecting terrestrial and freshwater invertebrates from BC's Flathead region in southeast BC, as part of a Sierra Club "bioblitz" to document flora and fauna of this biologically and geographically important region,
- collecting tissue samples in northern BC and in Alaska to be used in our study of the DNA differences in selected plant species from BC and nearby areas,
- completing the renewal of our Archeology Gallery,
- creating a new display area in the BC Archives lobby,
- installing new shelving to gain 30% more space for our collections, and
- developing stronger ties with provincial and national museums to exchange information and expertise.

We continue to manage the building complex, collections and archives to the highest level possible given our existing infrastructure. The complex includes provincial museum, the provincial archives, Helmcken House, Thunderbird Park, Mungo Martin Big House (Wawadit'la), St Ann's Schoolhouse and the Netherlands Centennial Carillon. A Risk Management Index provides for ongoing monitoring of the security of our collections.

Building and diversifying revenue streams continues as a strong focus. This year admissions revenues increased by 34.5% as the result of more exhibitions. Thanks to a strong marketing campaign, individual membership sales grew by 27% over the previous year, and sales of family memberships by 63%. We are also working toward building more commercial opportunities by building a stronger digital infrastructure, and commercializing our physical and digital space.

Ongoing food service, retail and royalty agreements with the IMAX Theatre and Willie's Bakery (operators of the Museum Café) enhance our financial position and provide services to visitors.

Government Direction: **Implement a sustainable fundraising program that includes philanthropic giving, sponsorships, grants and corporate partnerships.**

Overall community support was 1.3% higher than in 2011/12, but about 1% below the 2012/13 target. Lower donations were compensated for by gains in other areas of community support.

Artifact or Artifiction, in October 2012, attracted close to 400 guests and raised $85,000, thanks to the generous support of 38 sponsors and 32 volunteers.

We are increasing our fundraising initiatives, including a targeted major gifts program, a renewed focus on corporate sponsorship/partnerships and grants from a variety of sources. Capital Campaign planning has begun with a needs assessment and draft timeline.

> Government Direction: **Engage with stakeholders to assist in developing a long term vision for an affordable and accessible provincial museum and archives.**

We have engaged architect partners to develop a plan that we anticipate will be the critical first step in creating a museum and archives that are economically and physically sustainable and that will preserve the collections for future generations. Consultation with stakeholders is part of the planning process.

Our new website, launched in April 2013, along with our work to digitize the collections, has the goal of making the collections more accessible and more affordable.

> Government Direction: **Provide leadership to the museum and archives community in BC through sharing of expertise and knowledge as well as supporting community initiatives through the loan of collections material.**

We are working to build a stronger network of museums in British Columbia. In October 2012, our CEO addressed the conference of the BC Museums Association and met with colleagues from across the province. The Royal BC Museum supports and collaborates with other BC museums by providing conservation advice and loans of collection materials, and by working in partnership on research and exhibition projects.

For the fifth year in a row, we were voted one of BC's top 50 employers, while three of our staff received the *Queen Elizabeth II* Diamond Jubilee Medal, and our CEO was made a Commander of the British Empire.

We signed an historic agreement with the Canadian Museum of History to exchange artifacts, information and expertise. With a view to adding the Douglas Treaties to their Memory of the World project, we became an institutional member of UNESCO.

> Government Direction: **Comply with the Shareholder's requirements to be carbon neutral and address climate change.**

A sustainability policy guides us in meeting our targets, and our sustainability committee encourages staff to practise good energy management. We've implemented an array of policies to reduce greenhouse gas emissions, recycle and conserve energy.

Despite a considerable increase in activity overall in 2012 – including designing, building, transporting and installing a temporary exhibition in a Vancouver satellite gallery – our greenhouse gas emissions were barely two per cent higher than in 2011, and were fully covered by offset payments. This reflects our commitment to continuous improvement in reducing emissions and remaining carbon neutral.

Our climate change exhibition helps to educate the public about the need for sustainable practices, and our *Aliens Among Us* online exhibition engages the public in identifying invasive species.

Financial Report

Management Discussion and Analysis

It was a very challenging year financially for the Royal BC Museum (RBCM) as we dealt with impending funding cuts, increases in salary costs related to the union contract settlement, general cost increases due to inflation and ongoing economic uncertainty. Retirements have resulted in staff shortages due to a Provincial government hiring freeze. We continued to meet our mandate to deliver quality museum and archival services however this becomes much more difficult with shrinking financial and human resources. The RBCM builds accountability into its operational financial planning and we have attempted to mitigate future shortfalls in the Province of BC operating contributions through increased admission fees and decreases in expenditures wherever possible. We continue to develop strategies to manage expenditure growth while maximizing programs in order to meet our mandate in the most cost effective manner. The RBCM is accountable to our Shareholder, the Province of British Columbia and to all British Columbians in implementing our mandate.

Net income for the year ended March 31, 2013 was $0.054 million, a slight increase over the previous year. Admission revenue increased by over $1 million (35%) compared to the prior year due to the travelling exhibitions that were hosted at RBCM in 2012/2013 and growth in the membership program. Attendance met our expectations and we elevated the exposure of the RBCM through an expansion in our marketing efforts. While admission revenues did improve compared to the prior year, we are still subject to the continuing economic uncertainty that is impacting tourism. The increase in the number of exhibitions held during the year resulted in a related increase in special exhibition expenses.

Summary of Financial Results

	2011/12 Actual ($M)	2012/13 Actual ($M)	2012/13 Budget ($M)	Budget Variance ($M)	Year Variance ($M)	2013/14 ($M)	2014/15 Forecast ($M)	2015/16 ($M)
Revenue								
Province of BC operating contributions	12.166	12.166	12.166	0.000	0.000	11.866	11.866	11.866
Museum admission fees	3.026	4.071	4.048	0.023	1.045	4.247	4.247	4.247
Other income	3.993	2.970	2.844	0.126	(1.023)	3.251	3.420	3.523
Total Revenue	19.185	19.207	19.058	0.149	0.022	19.364	19.533	19.636
Expenses								
Salaries and benefits	8.863	9.048	9.183	(0.135)	0.185	8.994	9.166	9.166
Building	2.340	2.221	2.246	(0.025)	(0.119)	2.217	2.239	2.262
Taxes - City of Victoria	0.671	0.657	0.693	(0.036)	(0.014)	0.683	0.707	0.721
Security	0.896	0.929	0.960	(0.031)	0.033	0.921	0.930	0.939
Special exhibitions	0.194	1.353	1.289	0.064	1.159	1.162	1.130	1.130
Amortization	1.244	1.238	1.342	(0.104)	(0.006)	1.275	1.259	1.189
Other operating costs	4.943	3.707	3.246	0.461	(1.236)	4.006	4.001	4.128
Total Expenses	19.151	19.153	18.959	0.194	0.002	19.258	19.432	19.535
Annual Surplus of Revenues Over Expenses	0.034	0.054	0.099	(0.045)	0.020	0.106	0.101	0.101
Net Assets at beginning of year	12.791	12.825				12.879	12.985	13.086
Net Assets at end of year	12.825	12.879				12.985	13.086	13.187
Capital Expenditures	0.548	0.740				2.305	0.505	0.505
Debt	0.000	0.000				0.000	0.000	0.000

The above financial information was prepared based on current Public Sector Accounting Principles.

Statement of Financial Position

Cash and cash equivalents increased by $0.9 million due to the redemption of the portfolio investment and purchase of term deposits with maturity dates of less than 90 days. The return on the portfolio investment, net of fees, was not meeting expectations so it was redeemed. In 2012/13, $0.77 million ($0.52 million 2011/12) was invested in new capital assets.

Deferred revenue includes funding received for designated projects, membership fees and advance payments for service. These revenues are recognized when the project is completed or service is provided. Membership fees are recognized over the term of the membership. During the year $0.896 million was transferred from deferred capital contributions to deferred revenue. These funds were originally going to be used towards a capital project related to storage however these requirements will now be taken care of by way of an operating lease.

Deferred capital contributions includes funding received from external sources for capital projects. These funds are recognized as revenue over the expected life of the corresponding capital asset. No additional funds were received in 2012/13.

Deferred exhibition costs are expenditures made for exhibitions opening in future fiscal years. The balance at March 31, 2013 is primarily related to costs incurred to produce the upcoming *Race to the End of the Earth* exhibition.

Statement of Operations

Our operating contribution from the Province of British Columbia did not change for 2012/2013 at $12.166 million. This amount will decrease to $11.866 million in 2013/2014 as discussed further in *Future Outlook*.

Revenue

63% of operational activities were funded by the annual contribution from the Province of British Columbia. This contribution helps to ensure the best possible stewardship of the collections of British Columbia.

During 2012/13, admission fees represented 21% of total revenue (16% 2011/12). As previously discussed, the increase in admission revenue over the prior year was a direct result of hosting several travelling exhibitions and an expansion in our membership program. Admission fees fluctuate from year to year depending on the special exhibition being hosted and the economic climate.

Other income was slightly higher than budgeted in 2012/13 due to an increase in grants and corporate sponsorships. Other income decreased compared to the prior year as last year a sizable donation of $1.2 million was received. These donated funds were provided to the Royal BC Museum Foundation (Foundation) to manage and therefore there was a corresponding donation expense which included this donation. Other income also included earned income from programs and access services.

We make every effort to maximize revenue resources through business operations. 24% of operations in 2012/13 (19% in 2011/12) were supported by this revenue.

Expenses

Total expenses in 2012/13 were $19.1 million comparable to $19.1 million in 2011/12.

Salaries & benefits – The workforce consists largely of highly skilled full-time employees. The RBCM was at not at a full staff complement in 2012/13 as the Provincial government implemented a hiring freeze during the fiscal year that impacted our ability to fill vacant positions. While salaries were higher than in 2011/2012 this was due to the settlement of the public sector employee union contract and an increase of 2% for union employees. In addition, several retirements late in the year increased retirement vacation payouts. The RBCM operations are supported by a large and dedicated group of volunteers who offered approximately 40,000 hours of service.

Building costs – The RBCM continues to upgrade its facilities and complete maintenance projects. Building costs decreased by $0.1 million due to previous year's capital projects that improved HVAC and electrical systems that resulted in lower operating costs. Building expenses include hydro, water, gas, cleaning costs, warehouse leasing, and preventive maintenance.

Amortization – Represents the cost of externally and operationally funded capital investments in buildings, permanent exhibitions, operating equipment, and information technology hardware and software. The expense is recognized over the expected life of the capital asset.

Exhibition costs – In 2012/13 the RBCM hosted six travelling exhibitions including *Dinosaurs: Ancient Fossils, New Discoveries; Queen Elizabeth II: A Diamond Jubilee Celebration; Envisioning the World: First Printed Maps; For Valour: The Canadian Scottish Regiment; The Navy: A Century in Art* and *Wildlife Photographer of the Year 2012*. The costs incurred to host all of these exhibitions was $1.07 million. The internally produced exhibition *Curious*, 4 exhibitions held at Wing Sang in Vancouver, had a final cost of $0.3 million.

Other operating costs included a wide range of functions that impact all areas including: care and management of the collections, insurance, security, travel, bank charges, program and exhibition management, human resources, volunteer resources, information systems, marketing and communications, general office supplies and professional services. These costs were $3.7 million, $0.46 million higher than budget and $1.24 million lower than 2011/12. Other operating costs for 2012/13 included funded project costs of $0.26 million related to development of the master site plan, and $0.14 million for business records archival projects. 2011/12 costs included a large donation expense of $1.2 million which corresponded to a similar increase in other income in the prior year.

Collections and Artifacts – the value of the donated collections and artifacts varies each year based on the fair market value of the items received. RBCM did not make any significant purchases of collections or artifacts in 2012/2013.

Donations – In 2011/12, the RBCM received a sizable donation of $1.2 million which along with donations received through the Box Office, were provided to the Foundation to be used for funding future museum projects. In 2012/13 the donations included only those received through the Box Office.

Capital

Improvements continued to the new collection management application and our digital asset management application which will provide the public with increased access to the collections. We also purchased cabinets and shelving for data and collection storage.

Summary of Financial Results over 5 years

	2012/13 Actual ($M)	2012/13 Budget ($M)	2011/12 Actual ($M)	2010/11 Actual ($M)	2009/10 Actual ($M)	2008/09 Actual ($M)
Revenue						
Province of BC operating contributions	12.166	12.166	12.166	12.166	12.166	12.648
Museum admission fees	4.071	4.048	3.026	2.785	5.158	3.104
Other income	2.970	2.844	3.993	3.693	2.325	4.809
Total Revenue	19.207	19.058	19.185	18.644	19.649	20.561
Expenses						
Salaries and benefits	9.048	9.183	8.863	8.908	9.198	9.060
Building	2.221	2.246	2.340	2.074	2.020	2.145
Taxes - City of Victoria	0.657	0.693	0.671	0.652	0.741	0.696
Security	0.929	0.960	0.896	0.834	0.919	0.925
Special exhibitions	1.353	1.289	0.194	0.448	2.888	2.214
Amortization	1.238	1.342	1.244	1.280	1.104	0.964
Other operating costs	3.707	3.246	4.943	4.395	3.136	4.533
Total Expenses	19.153	18.959	19.151	18.591	20.006	20.537
Annual Surplus of Revenues Over Expenses	0.054	0.099	0.034	0.053	(0.357)	0.024
Net Assets at beginning of year	12.825		12.791	12.738	13.095	13.071
Net Assets at end of year	12.879		12.825	12.791	12.738	13.095
Capital Expenditures	0.740		0.548	5.575	5.716	2.203
Debt	0.000		0.000	0.000	0.000	0.000

Partners

The RBCM enjoys a long-standing partnership with the Royal BC Museum Foundation (Foundation). The Foundation operates the Royal Museum Shop, supports projects undertaken by the RBCM, and collects donations, bequests and endowments. Formal endowment programs have been established through the Foundation in support of the development and care of the RBCM collections. The Foundation holds $2.1 million in endowment and trust funds and a further $4.1 million in restricted funds for specific projects. The Vancouver Foundation holds $0.01 million while the Victoria Foundation holds $2.0 million in endowment funds and $0.2 million in other funds on behalf of the RBCM.

The RBCM partners with and receives royalties from the owners and operators of the IMAX Theatre, Destination Cinema Incorporated (DCI). This mutually beneficial agreement between DCI and the RBCM is for a 30-year period and expires in 2028.

The Friends of the British Columbia Archives is an incorporated, not-for-profit organization managed by a Board of Directors elected from its membership. Its purpose is to support and foster awareness of the BC Archives.

Food service and retail agreements enhance our financial position and provide services to our visitors. Willie's Bakery operates both the Museum Café and the kiosk in the courtyard of the cultural precinct.

Risks and Uncertainties

Like other Canadian cultural institutions and organizations, the RBCM faces issues as outlined in the 2013/14 – 2015/16 Service Plan. Attendance is influenced by global trends in tourism and fluctuates when we host temporary exhibitions. While there was an increase in admission revenue in 2013/2014, RBCM remains cautious in projecting revenues generated from admissions as the tourism market continues to recover at a slow pace.

It is difficult to offset operating cost increases by earned revenue increases. The collections continue to develop in size and significance, which increases costs for care and management. If visitor levels do not meet targets, our ability to fulfill our mandate may be jeopardized. The RBCM must earn greater than $7.4 million in annual revenue in addition to its provincial operating grant, to meet operating budget requirements of $19.3 million. We are increasing our focus on internal and external business channels however there is no guarantee that these will be successful.

The workforce is aging, leading to a potential shortage of professionals. Over the past two years 8.0% of RBCM staff retired; in the next five years, 29.5% of our staff will be eligible to retire. Ensuring significant time for knowledge transfer is critical. An investment in employee training and development is being made in order to lessen future recruitment and replacement costs.

The state of the aging facilities impacts our ability to conserve and protect the collections. At more than 40 years of age, the Fannin tower and exhibition hall

increasingly require repairs and maintenance to keep functioning. Infrastructure renewal projects will be carried out as finances permit in the years to come.

Future Outlook

Going forward, financial projections indicate modestly positive operating results. The RBCM faces increased challenges, however, resulting from decreases in the operating contribution from the provincial government combined with wage increases as a result of settlement of public sector collective bargaining agreements and a slow recovery from the effects of a global recession. Admission revenues that will be earned from the temporary exhibitions hosted throughout 2013/14 are expected to assist in mitigating these pressures. As admissions are such a major revenue stream, we are working to create more opportunities to attract visitors and enlist memberships, offering compelling reasons to visit the museum and archives. We have a firm vision in place to guide the organization's progress and development.

Enhancing existing and establishing new revenue-generating activities is essential to attain our goal of financial sustainability. We are focusing on growth of internal and external business channels and developing plans for future online sales, increased publishing revenue and licensing of our image banks. The fundraising success of the RBCM is necessary to the maintenance and growth of our business operations and revitalizing of our galleries and buildings. We have undertaken a review of our fundraising priorities and created a tailored program to focus on strategic opportunities.

Capital investments are still very much required by the RBCM in order to continue to upgrade the buildings to adequately care for the British Columbia collections. In this regard we have appointed an architectural firm to undertake the work of developing a master plan for the Royal BC Museum site. This plan is expected to be complete by the end of 2013 and upon completion we will be able to make decisions regarding future investments in the buildings. As part of our renewal effort, we will work on securing funding from all levels of government and private sector partners to enable us to move forward with our plans.

Summary

In our efforts to remain a world-renowned museum and archives while at the same time preserving BC's rich history, operating challenges are evident. Maintaining our excellent standing requires that we go forward and implement our vision with the support of government, funding partners, community members and the visiting public.

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Management's Report

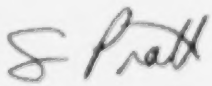
The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management is also responsible for the safeguarding of financial and operating systems, which include effective controls to provide reasonable assurance that the Corporation's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance and Audit Committee. The Finance and Audit Committee meets regularly with management and the external auditors have full and free access to the Committee. The Board of Directors, whose members are not involved in the day-to-day activities of the Corporation, are responsible for the review and approval of the financial statements.

Hayes Stewart Little & Co. has audited the financial statements in accordance with Canadian auditing standards.

Jack Lohman, CBE
Chief Executive Officer



Sandy Pratt
Executive Financial Officer

Independent Auditors' Report

HAYES STEWART LITTLE & COMPANY
CHARTERED ACCOUNTANTS

To the Board of Directors of the Royal British Columbia Museum Corporation

Report on Financial Statements

We have audited the accompanying financial statements of the Royal British Columbia Museum Corporation, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, statements of change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Royal British Columbia Museum Corporation for the year ended March 31, 2013 are prepared in all material respects in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(h) to the financial statements which discloses that the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers and restricted contributions. Note 5 discloses the impact of these differences.

Hayes Stewart Little + Co

Victoria, BC Chartered Accountants May 15, 2013

Statement of Financial Position

AS AT MARCH 31, 2013

		March 31, 2013		March 31, 2012
Financial Assets				
Cash and cash equivalents (Note 2(b))	$	2,621,302	$	1,726,584
Portfolio investments (Note 2(c), Note 7)		-		1,000,865
Accounts receivable		378,525		249,988
		2,999,827		**2,977,437**
Financial Liabilities				
Accounts payable and accrued liabilities		1,817,895		1,784,618
Leave liability (Note 2(l))		319,342		316,199
Deferred revenue (Note 8)		2,005,650		1,258,374
Deferred capital contributions (Note 9)		10,960,898		12,468,744
		15,103,785		**15,827,935**
Net Financial Position		(12,103,958)		(12,850,498)
Non-Financial Assets				
Tangible capital assets (Note 11)		24,488,204		24,986,890
Deferred exhibition costs (Note 2(f))		415,090		614,635
Prepaid expenses		79,528		74,337
		24,982,822		25,675,862
Accumulated Surplus	$	12,878,864	$	12,825,364

Commitments (Note 17)

ON BEHALF OF THE BOARD:

Director

Director

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenues			
Provincial operating contributions	$ 12,166,000	$ 12,166,000	$ 12,166,000
Museum admission fees and memberships	4,047,750	4,070,539	3,026,290
Other income (Note 12)	2,147,965	2,238,432	3,020,078
Amortization of deferred capital contributions (Note 9)	696,285	611,548	613,342
Donated collections and artifacts (Note 2(j))	-	120,110	358,742
	19,058,000	**19,206,629**	**19,184,452**
Expenses (Note 14)			
Salaries and benefits	9,183,015	9,048,423	8,862,875
Building costs	2,245,793	2,221,368	2,340,372
Amortization	1,341,680	1,238,256	1,244,130
Security	960,470	929,035	896,212
Taxes, City of Victoria	693,310	657,239	671,032
Special Exhibitions (Note 10)	1,289,150	1,352,879	193,481
Systems and telecommunications	811,834	815,016	823,428
Professional services	610,090	764,134	675,281
Materials and supplies	332,103	335,899	350,561
Archival records storage	411,500	452,984	408,554
Marketing and communications	330,845	374,067	299,885
Office and business	287,210	346,275	316,376
Insurance	200,000	188,334	181,709
Travel	172,000	208,221	142,152
Bank charges	90,000	94,142	76,324
Collections and artifacts	-	120,110	358,742
Donations (Note 13)	-	6,747	1,309,455
	18,959,000	**19,153,129**	**19,150,569**
Annual Surplus	99,000	53,500	33,883
Accumulated Surplus, Beginning Of Year	12,825,364	12,825,364	12,791,481
Accumulated Surplus, End Of Year	$ 12,924,364	$ 12,878,864	$ 12,825,364

Statement of Changes in Net Financial Position

FOR THE YEAR ENDED MARCH 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Annual Surplus	$ 99,000	$ 53,500	$ 33,883
Acquisition of tangible capital assets	(505,000)	(739,570)	(547,976)
Amortization of tangible capital assets	1,341,680	1,238,256	1,244,130
	935,680	552,186	730,037
Acquisition of prepaid expense		(79,528)	(73,760)
Use of prepaid expense		74,337	81,445
Acquisition of deferred exhibition costs		(58,995)	(384,439)
Use of deferred exhibition costs		258,540	(39,063)
		194,354	(337,691)
Change in net financial position		746,540	392,346
Net financial position, beginning of year		(12,850,498)	(13,242,844)
Net financial position, end of year	$	$ (12,103,958)	$ (12,850,498)

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2013

	2013	2012
Operating Activities		
Cash received from the Province of British Columbia	$ 12,166,000	$ 12,166,000
Cash received from admission fees	4,152,671	3,167,615
Cash received from other income	1,998,851	3,576,245
Cash paid for donations	(128,449)	(1,309,455)
Cash paid for salaries and benefits	(9,049,835)	(9,552,358)
Cash paid for building costs, taxes and security	(3,894,427)	(3,758,928)
Cash paid for materials and services	(3,425,227)	(3,481,655)
Cash paid for special exhibitions	(1,153,334)	(538,857)
Cash provided from operating activities	**666,250**	**268,607**
Investing Activities		
Cash received from disposition of temporary investments	1,000,865	-
Cash received for purchase of tangible capital assets	-	1,206,474
Cash used to purchase tangible capital assets	(772,397)	(520,696)
Cash used for investing activities	**228,468**	**685,778**
Increase in cash and cash equivalents	894,718	954,385
Cash And Cash Equivalents, Beginning Of Year	**1,726,584**	**772,199**
Cash And Cash Equivalents, End Of Year	**$ 2,621,302**	**$ 1,726,584**

Notes to Financial Statements

FOR THE YEAR ENDED MARCH 31, 2013

1. NATURE OF OPERATIONS

The Royal British Columbia Museum Corporation (the "Corporation") is a Crown Corporation of the Province of British Columbia without share capital, incorporated on April 1, 2003 under the Museum Act. The Corporation is a tax-exempt body under Section 149(1)(d) of the Income Tax Act.

The purpose of the Corporation is to fulfill the Government's fiduciary responsibilities for public trusteeship of the Provincial collections and exhibitions, including specimens, artifacts, archival and other materials that illustrate the natural and human history of British Columbia. The Corporation is dedicated specifically to the preservation of, and education about, the human and natural history of British Columbia. The collection is preserved for future generations of British Columbians.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as described in note 2(h).

(b) Cash and cash equivalents

Cash includes cash on hand and balances held in Canadian bank accounts. Cash equivalents are investments in term deposits and are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days.

(c) Portfolio investments

Portfolio investments are investments in organizations that do not form part of the government reporting entity. Equity and derivative investments are recorded at fair value. Fixed income and money market investments are recorded at cost. The related investment income includes interest earned net of investment expenses incurred during the year. Investment transaction costs are expensed as incurred.

(d) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

(e) Revenue recognition

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made, with the exception of transfers received for capital contributions as described in note 2(h).

Admission and program fees are recognized as revenue on the date the service is provided. Membership fees are recognized as revenue on a straight-line basis over the term of the membership.

Investment, royalty and rental revenues are recognized when earned in accordance with specified agreements when the amounts can be reasonably estimated and receipt is likely.

Grants provided for operational projects by external parties or governments are recognized in the period in which the resources are used, in accordance with the terms of the funding agreement.

Contributions provided for capital projects by external parties or governments are deferred and recognized as revenue on the same basis the related assets are amortized, in accordance with the terms of the funding agreement.

(f) Deferred exhibition costs

Costs of special exhibitions are deferred until the exhibitions are opened to the public and then are expensed over the period of the exhibitions to which they relate.

(g) Tangible capital assets

Tangible capital assets are reported at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

▪ Buildings and improvements	up to 40 years
▪ Permanent exhibitions	10 years
▪ Operating equipment	5 years
▪ Computer hardware and software	3 years
▪ Vehicles	3 years
▪ Furniture	5 years

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(h) Deferred contributions

Funding received from the acquisition of depreciable tangible capital assets is recorded as a deferred contribution and is recognized as revenue in the Statement of Operations in an amount equal to the amortization expense on the related depreciable assets. This policy is in accordance with Treasury Board Regulation BC 198/2011 under the authority of the Budget Transparency and Accountability Act, S.B.C. 2000, C.23, s.23. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and certain eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer would be recognized as revenue over the period in which the liability is extinguished. The impact of the difference in this accounting policy on the financial statements is presented in note 5.

(i) Foreign currency translation

Revenue and expense transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rate at the time of the transaction. Financial assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the year end date. Any resulting exchange gains or losses during the period are recognized in the Statement of Operations.

(j) Collections

In accordance with PS1000 Financial Statement Concepts, the collections, including art and historic treasures, are not recorded as assets in the financial statements. Donated collections are recorded as revenue estimated

at the fair market value of the gift based on appraisals by independent appraisers. The acquisition of both donated and purchased collections are expensed.

(k) Volunteers

During the year, volunteers contributed approximately 40,000 (2012: 40,000) hours in support of the Corporation. Their activities include guided gallery tours and a variety of programs that enrich the visitor's experience at the Corporation and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(l) Employee benefit plans

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The Plan is a multi-employer, defined benefit plan, to which the Corporation applies defined contribution plan accounting in accordance with PSA standard PS3250 Retirement Benefits. The plan is administered by the British Columbia Pension Corporation, including payment of pension benefits to employees to whom the Act applies, and the Corporation does not have sufficient information to apply defined benefit plan accounting. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation (March 31, 2011) has determined the Plan has an unfunded liability of $275 million. The employer contribution rate to the Plan for the fiscal year ended March 31, 2013 was 9.43% (2012: 8.78%) of the pensionable salary up to the year's maximum pensionable earnings of $51,100 (2012: $50,100) and 10.93% (2012: 10.28%) of pensionable salary in excess of the year's maximum pensionable earnings.

The Corporation annually contributes through the Provincial Government payroll benefit plan for specific termination benefits and employee benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Corporation pays through the Provincial Government is 23.00% (2012: 23.90%). Costs of future benefits are recognized as an expense in the year that contributions are paid.

The Corporation administers an accumulated vacation and sick leave bank ("leave liability") consisting of unused vacation and sick time credits earned. The full value of accumulated

vacation is paid upon retirement or termination. Up to 60% of the value of sick time credits earned are paid upon retirement or termination.

(m) Use of estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. This includes and is not limited to the useful lives of capital assets.

3. STATEMENT OF REMEASUREMENT

A Statement of Remeasurement has not been included in these financial statements. Management has determined that it would not provide any additional meaningful information as the Corporation did not recognize any remeasurement gains or losses during the year.

4. BUDGET

Budgeted figures were approved by the Board of Directors and by the Legislative Assembly of the Province of British Columbia on May 31, 2012 as provided in the Royal BC Museum Service Plan 2012/13 – 2014/15.

5. EMPHASIS OF MATTER

Impact of Accounting for Government Transfers and Restricted Contributions in Accordance with Section 23.1 of the Budget Transparency and Accountability Act

If the Corporation adopted Canadian public sector accounting standards excluding the modifications as described in the Treasury Board Regulation BC 198/2011 under the authority of the Budget Transparency and Accountability Act, S.B.C. 2000, c.23, s.23, the impact on the financial statements is presented as follows:

		2013 (Increase)/ Decrease		2012 (Increase)/ Decrease
Statement of Financial Position				
Deferred revenue	$	-	$	(1,017,771)
Deferred capital contributions		10,960,898		12,468,744
Accumulated surplus	**$**	**(10,960,898)**	**$**	**(11,450,973)**
Statement of Operations				
Other income	$	(121,473)	$	(62,807)
Amortization of deferred capital contributions		611,548		613,342
Annual (surplus) deficit	**$**	**490,075**	**$**	**550,535**

6. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

It is management's opinion that the Corporation is not exposed to significant liquidity, credit or market risks arising from these financial instruments.

Liquidity Risk: Cash and cash equivalents, and portfolio investments are held with financially sound institutions and as such liquidity risk is not significant.

Credit Risk: Receivable balances consist primarily of trade receivables related to royalties and rents. At the financial statement date, 4.9% of the accounts receivable balance is past due and none is considered to be impaired. As such the Corporation is not exposed to significant credit risk.

Market Risk: Portfolio investments are comprised of units in a money market fund consisting of primarily of short-term treasury bills. As such, risk of loss of principal is insignificant.

7. PORTFOLIO INVESTMENTS

On October 16, 2012 the portfolio investments were closed. The funds were transferred into term deposits and are included in cash and cash equivalents.

8. DEFERRED REVENUE

Deferred revenue includes funds related to grants for restricted operating projects, future gallery rental deposits, advance admission sales, memberships and unredeemed gift cards. There are no operational restrictions associated with the grants received for operating projects.

	2013	2012
Restricted	$ 1,654,524	$ 1,177,853
Unrestricted	351,126	80,521
Total	**$ 2,005,650**	**$ 1,258,374**

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include funds received for construction of permanent exhibitions as well as facilities upgrades including HVAC systems, elevators, lighting and electrical capacity upgrades.

	Balance at March 31, 2012	Additions/ (transfer)	Amortized to Revenue	Balance at March 31, 2013
Provincial government	$ 5,477,723	$ -	$ (150,322)	$ 5,327,401
Federal government	3,708,788	-	(167,966)	3,540,822
Other	3,282,233	(896,298)	(293,260)	2,092,675
Total	**$ 12,468,744**	**$ (896,298)**	**$ (611,548)**	**$ 10,960,898**

During the year $896,298 was transferred from deferred capital contributions to restricted deferred revenue. This amount will be used to cover future operating expenditures related to leasing cold storage space and preservation of artifacts.

10. SPECIAL EXHIBITIONS

The Corporation hosts temporary exhibitions to provide a window on the world and encourage repeat visitation. In fiscal year 2013 these included: *Wildlife Photographer of the Year; The Navy: A Century in Art; Envisioning the World: First Printed Maps 1472-1700; Royal BC Museum at Wing Sang; Dinosaurs: Ancient Fossils, New Discoveries* and *Queen Elizabeth II by Cecil Beaton: A Diamond Jubilee Celebration.* In fiscal year 2012 these included: *Wildlife Photographer of the Year* and *Behind the Scenes Exhibition featuring The Other Emily.* Costs allocated to exhibitions are those additional costs which are directly incurred to host the exhibition. Professional service contract expenses include exhibition loan fees where applicable.

	2013	2012
Salaries and benefits	$ 125,569	$ 26,580
Professional service contracts	394,271	63,331
Marketing and communications	411,645	61,510
Materials and supplies	367,994	36,410
Office and business	53,400	5,650
Total	**$ 1,352,879**	**$ 193,481**

11. TANGIBLE CAPITAL ASSETS

Cost	Balance at March 31, 2012	Additions	Disposals	Balance at March 31, 2013
Land	$ 12,510,140	$ -	$ -	$ 12,510,140
Permanent exhibitions	1,651,047	-	(129,839)	1,521,208
Operating equipment	371,137	233,662	(109,589)	495,210
Hardware and software	1,432,189	489,346	(425,091)	1,496,444
Vehicles	24,664	-	(24,664)	-
Furniture	38,156	16,562	(23,378)	31,340
Buildings and improvements	12,299,714	-	-	12,299,714
Total	**$ 28,327,047**	**$ 739,570**	**$ (712,561)**	**$ 28,354,056**

Disposals include fully amortized assets removed from service.

Accumulated Amortization	Balance at March 31, 2012	Amortization	Accumulated Amortization on Disposals	Balance at March 31, 2013
Land	$ -	$ -	$ -	$ -
Permanent exhibitions	1,203,064	151,858	(129,839)	1,225,083
Operating equipment	239,525	86,635	(109,589)	216,571
Hardware and software	714,478	475,528	(425,091)	764,915
Vehicles	24,321	343	(24,664)	-
Furniture	28,429	6,939	(23,378)	11,990
Buildings and improvements	1,130,340	516,953	-	1,647,293
Total	**$ 3,340,157**	**$ 1,238,256**	**$ (712,561)**	**$ 3,865,852**

11. TANGIBLE CAPITAL ASSETS continued

Net Book Value	Balance at March 31, 2012	Balance at March 31, 2013
Land	$ 12,510,140	$ 12,510,140
Permanent exhibitions	447,983	296,125
Operating equipment	131,612	278,639
Hardware and software	717,711	731,529
Vehicles	343	-
Furniture	9,727	19,350
Buildings and improvements	11,169,374	10,652,421
Total	**$ 24,986,890**	**$ 24,488,204**

12. OTHER INCOME

	2013	2012
Grants and sponsorships	$ 974,278	$ 399,412
Donations	13,964	1,224,196
Property leases	735,210	744,885
Programs, services and miscellaneous	514,980	651,585
Total	**$ 2,238,432**	**$ 3,020,078**

13. DONATIONS

In 2013 an unrestricted contribution of $6,747 (2012: $1,309,455) was made to the Royal British Columbia Museum Foundation to assist the Foundation in funding future museum and archives projects at the Corporation. The contribution is part of a long standing economic partnership with the Foundation to assist and support provincial museum initiatives and projects through attracting federal and other foundation monies.

14. EXPENSES BY FUNCTION

	2013 Budget	2013 Actual	2012 Actual
Collections, research and access	$ 7,413,624	$ 7,471,248	$ 7,180,700
Exhibitions and visitor experience	7,950,869	8,358,883	6,861,947
Development and fundraising	561,164	458,588	507,167
General and administrative	3,033,343	2,737,553	2,932,558
Collections and artifacts	-	120,110	358,742
Donations	-	6,747	1,309,455
	$ 18,959,000	**$ 19,153,129**	**$ 19,150,569**

15. COLLECTIONS

As at March 31, 2013, the collections consisted of approximately 7.2 million artifacts, specimens and archival records (2012: 7.2 million). During the year, the Corporation de-accessioned 4 batches (2012: 5) and accessioned 328 batches (2012: 213) to its collections through the acquisition, purchase and accessioning process. The collections are valued at $150 million for insurance purposes.

16. THE ROYAL BRITISH COLUMBIA MUSEUM FOUNDATION

The Corporation has an economic interest in the Royal British Columbia Museum Foundation (the "Foundation"). The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The Foundation was incorporated to support activities on behalf of the Corporation. The principal activities of the Foundation are the operation of the Royal Museum Shop, the management of donations, bequests, endowments and the support of projects undertaken by the Corporation.

The Foundation has internally restricted funds of approximately $4,087,000 (2012 - $3,820,000), which are reserved for specific projects for transfer to the Corporation in future years.

During the year, the following amounts were paid by the Foundation to the Corporation:

		2013		2012
Funding for non-capital projects	$	426,750	$	453,163
Endowment earnings		-		132,223
Gift shop royalties		67,504		35,029
Purchase of goods and services		52,984		58,186
Total	**$**	**547,238**	**$**	**678,601**

As of March 31, 2013, $184,031 is due from the Foundation to the Corporation and is included in the accounts receivable balance (2012: $86,545).

During the year, the following amounts were paid by the Corporation to the Foundation:

		2013		2012
Unrestricted donation to the Foundation (Note 13)	$	6,747	$	101,688
Transfer of restricted donations (Note 13)		-		1,212,391
Purchase of goods and services		39,694		3,776
Total	**$**	**46,441**	**$**	**1,317,855**

As of March 31, 2013, $6,991 is due from the Corporation to the Foundation and is included in the accounts payable balance (2012: $8,569)

During the year, the CEO of the Corporation was independently contracted by the Foundation to provide professional consulting services with respect to fundraising.

17. COMMITMENTS

Operating Agreement

The Corporation has entered into a Theatre Operating Agreement for the operation of a large screen motion picture theatre on the Corporation's premises. Under the terms of the Agreement, the Corporation will be paid a royalty from the theatre including certain negotiated adjustments, plus specific amounts for additional operating costs. The term of the Agreement is 30 years and expires June 24, 2028.

Heating and Cooling Contract

The Corporation has entered into a month to month service agreement for the provision of steam, chilled water and natural gas services. Under the terms of the agreement, the Corporation will pay for services as consumed.

Property Management Contract

The Corporation has entered into a five year service agreement for the provision of building management and maintenance services expiring March 31, 2015. Under the terms of the agreement, the Corporation will pay annual management fees as follows:

2014	$	96,445
2015		98,374
Total	**$**	**194,819**

Additionally, the Corporation will pay for direct maintenance costs as incurred by the contractor.

Exhibition Loan Fees

The Corporation has a commitment to disburse $150,000 to the American Museum of Natural History related to the loan of artifacts and objects. Future anticipated payments are as follows:

2014	$	194,819
Total	**$**	**194,819**

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts which expire on April 30, 2015 and January 31, 2017 respectively. Future minimum payments are as follows:

2014	$	236,760
2015		236,760
2016		70,200
2017		58,500
Total	**$**	**602,220**

18. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

Royal BC Museum Supporters

The Royal BC Museum appreciates and acknowledges the ongoing support of the Province of British Columbia. Thank you to our generous donors and sponsors for their financial support and contributions to our collections during the 2012/2013 fiscal year.

$500,000+

Rennie Marketing Systems

$100,000 - $499,999

BC Hydro
HSBC Bank Canada
Royal BC Museum Foundation
Teck Resources Limited

$25,000 - $99,999

Humberto & Gretchen Bauta
Canadian Heritage Information Network
CTV Vancouver
CTV Vancouver Island
Royal BC Museum Endowment Fund (BC Arts Renaissance Fund), through The Victoria Foundation
The Truffles Group

$5,000 - $24,999

Athlone Travel
Canadian Imperial Bank of Commerce
Canadian Museums Association
Decorate Victoria with Huff N Puff
Digital Direct Printing Ltd.
IMAX Victoria
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Times Colonist
The Truck Loggers Association
Viking Air
Jack & Bev Wallace
John & Joan Walton Innovators Fund, through The Victoria Foundation
The W. Garfield Weston Foundation

$1,000 - $4,999

Eric & Leonda Adler
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Michael & Sirpa Bell
Black & McDonald Limited
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$500 - $999

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Donors through the Provincial Employees Community Services Fund
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Robin Ashforth & Gerald Thompson
The Butchart Gardens Ltd.
Joyce Buxcey
Sue Chambers
Stanley & Dianne Coleman
Crease, Harman & Company
Camille Cuthill
David Ell & Monica Granbois
Joyce Folbigg
Sharon Godkin
Doreen Goodwin
Gordon & Diana Green
Theodore Hartz
Raymond & Patricia Heeley
Hotel Grand Pacific
Isabella's Guest Suites

Mary Leask
Barbara Longworth
Dennis McCann & Diane Darch
M. Grace Mersereau
Doreen Mitchell
Ruth Mossop
Rev. Fred W. Peirce
Prime Steakhouse & Lounge
Barbara Rae & George Suart
Matthew Rainsberry
Ernest & Adele Roberts
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Royal BC Museum Fund, through
The Vancouver Foundation
Elisabeth Silvester
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June Ames
Ron Anderson
Anonymous
Duane Arsenault
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Pam Bonfiglio
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Jane Edwards
Gregg Evans
Raymond Graham
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More information about Royal BC Museum exhibitions and galleries, collections, programs, research, publications and corporate information such as reports and news releases can be found on our website, along with links to our Facebook and other social media sites.

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